

WORKING PAPERS

EAST-WEST CENTER WORKING PAPERS



EAST-WEST CENTER

The U.S. Congress established the East-West Center in 1960 to foster mutual understanding and cooperation among the governments and peoples of the Asia Pacific region including the United States. Funding for the Center comes from the U.S. government with additional support provided by private agencies, individuals, corporations, and Asian and Pacific governments.

East-West Center Working Papers are circulated for comment and to inform interested colleagues about work in progress at the Center.

For more information about the Center or to order publications, contact:

Publication Sales Office
East-West Center
1601 East-West Road
Honolulu, Hawaii 96848-1601

Telephone: 808-944-7145

Facsimile: 808-944-7376

Email: ewcbooks@EastWestCenter.org

Website: www.EastWestCenter.org



Pacific Islands Development Series

No. 15, April 2002

Small is Viable: The Global Ebbs and Flows of a Pacific Atoll Nation

Gerard A. Finin

Gerard A. Finin is a Senior Fellow in the Pacific Islands Development Program, East-West Center. He can be reached at telephone: 808-944-7751 or email: FininJ@EastWestCenter.org.

East-West Center Working Papers: Pacific Islands Development Series is an unreviewed and unedited prepublication series reporting on research in progress. The views expressed are those of the author and not necessarily those of the Center. Please direct orders and requests to the East-West Center's Publication Sales Office. The price for Working Papers is \$3.00 each plus postage. For surface mail, add \$3.00 for the first title plus \$0.75 for each additional title or copy sent in the same shipment. For airmail within the U.S. and its territories, add \$4.00 for the first title plus \$0.75 for each additional title or copy in the same shipment. For airmail elsewhere, add \$7.00 for the first title plus \$4.00 for each additional title or copy in the same shipment.

Websites

Pacific Islands Development Program: <http://pidp.EastWestCenter.org>
East-West Center: <http://www.EastWestCenter.org>

Small is Viable: The Global Ebbs and Flows of a Pacific Atoll Nation

Gerard A. Finin

Senior Fellow, Pacific Islands Development Program

East-West Center

Honolulu, Hawai'i

fininj@EastWestCenter.org

With the possible exception of the Vatican, leaders of small states generally receive scant attention on the world stage, especially when they are from remote islands thousands of miles from global centers of power and influence. This is not the case, however, for Prime Minister Koloa Talake of the South Pacific island nation of Tuvalu, who has been unusually successful in drawing international attention to the potentially devastating effects of global warming on his atoll home.

One such success was Mr. Talake's surprise announcement during the recent Commonwealth Heads of Government Meeting. The press release informing the international media that Australia would be the target of legal action by Tuvalu in the International Court of Justice over the global warming issue quickly drew reactions from both British Prime Minister Tony Blair and Australian Foreign Secretary Alexander Downer. How could Tuvalu's 10,000 citizens residing on nine low lying atolls (highest elevation less than 15 feet) that together comprise only ten square miles possibly confront a nation the size of Australia?

Yet what is even more remarkable is how one of the world's smallest, most isolated and resource-poor nations has managed to endure. Indeed, in an era when the list of "failed states" grows longer almost by the month, Tuvalu's achievements over the past 24 years are little short of extraordinary. As one of the last British outposts in the South Pacific to gain its independence after being coupled for some eighty years with a much larger colonial conglomeration then known as the Gilbert and Ellice Islands, Tuvalu (formerly Ellice Islands) is today among the most economically and socially stable small island states in the Pacific islands region.

Pacific island nations are frequently trivialized but rarely understood in terms of their own histories and cultures. For over two centuries the popular western imaginary has conceived of the Pacific, and particularly Polynesia, as hundreds of extremely isolated insular societies embracing myriad paradisiacal qualities of natural beauty, tropical abundance and unaffected sexuality. The writings of University of the South Pacific scholar Epeli Hau'ofa help to reorient such imaginings by calling attention to the fact that the ocean has more often than not served to connect Pacific peoples, creating for islanders a Pacific linking "our sea of islands."

The idea that the countries of Polynesia and Micronesia are too small, too poor and too isolated to develop any meaningful degree of autonomy is an economic view of a very narrow kind...[T]he idea of smallness is relative...if we look at the myths, legends and oral traditions, and the cosmologies of the peoples of Oceania, it will become evident that they did not conceive of their world in such microscopic proportions. Their universe comprised not only dry lands, but the surrounding ocean as far as they could traverse and exploit it.¹

If the experiences of the past decade have contributed to considerable skepticism about post-colonial nation building, Tuvalu offers a fascinating example of how the forces of globalization may at once strengthen and weaken vulnerable small island states. As one of the world's most resource poor island chains, where subsurface water is almost nonexistent and only the heartiest of vegetation can be sustained in sand and coral, Tuvalu began its nationhood with daunting challenges. So bleak were the forecasts for success in the early 1970s that Britain, prior to organizing a referendum on independence, went to each of the nine islands warning Ellice residents of the projected dire consequences of not remaining as one with the larger and wealthier Gilbert Islands (now Kiribati). Residents were alerted to the prospect of further isolation, a reduced standard of living and greater unemployment. In return for agreeing to gradually achieve national independence with the Gilberts and form one nation, Britain promised more favorable economic terms during the transition and greater assurances of future bilateral development aid.

¹ Epeli Hau'ofa, "Our Sea of Islands." *The Contemporary Pacific* 6 (1), 1994, p.149

But despite hearing the many voices of those who doubted its basic viability, Tuvalu in a UN monitored referendum overwhelmingly chose independence. Since 1978 Tuvalu has become a stable and vibrant democracy. It is today more secure economically than many neighboring Pacific states possessing far superior resource endowments and many more comparative advantages. Exploring Tuvalu's history, failures and successes as a "modern" developing nation-state opens an intriguing window on how global and local processes are operating in the contemporary Pacific and beyond. Tuvalu also offers lessons for Western nations in their efforts to assist small developing states striving to achieve greater self-reliance.

An Inauspicious Start

Tuvalu's official beginning on October 1, 1978, was hardly auspicious. Independence Day had been planned well in advance, with invitations sent to dignitaries from around the globe. Yet the transition ceremony's special guest of honor, Britain's Princess Margaret, secure aboard a New Zealand naval ship anchored in the new capital's expansive lagoon at Funafuti atoll, was taken ill and was not present to witness the historic moment.² What's more, even before Tuvalu's independence celebration had concluded, it was clear to Tuvalu government officials that the guests who attended the international "birthday party" came bearing no major gifts that could help sustain the nation.

Tuvalu's leaders immediately faced a broad array of pressing concerns. Infrastructure for the new nation's approximately 7,000 citizens was sorely lacking. Despite earnest requests to British officials negotiating the transition to independence for a share of the colony's revenue reserve fund, derived from royalties assessed on phosphate mining operations on Banaba Island (where many Tuvaluans worked), Tuvalu received only a second-hand inter-island ship. The single operable airfield was a crushed coral landing strip constructed 35 years earlier by American military forces. Government offices were wholly inadequate, as were school facilities. A severe

² Still, the long trip wasn't for naught as the national hospital was later named in her honor.

hurricane several years earlier had destroyed or damaged most of the capital's housing stock on Funafuti. Government officials and civil servants at the end of the day would leave their unadorned offices only to regroup in the evening to help each other build their homes.

Government reserve funds totaled less than \$1 million and revenue generating capacity was highly constrained. Even with the most minimal of public services in an economy that remained predominantly tied to a subsistence lifestyle based on fishing and small intensively farmed *palaka* pits, the annual projected budget deficit was \$650,000. Some bilateral aid was anticipated, but none was guaranteed. Making matters worse, there remained an element of resentment by Great Britain over Tuvalu's insistence on separating from the Gilbert Islands to go it alone. Britain's umbrage was directed squarely toward the smaller of what historian Barrie Macdonald fittingly characterized as the two "Cinderellas of the Empire."³

While Tuvalu's situation appeared grim, the new government moved ahead the best it could. For example, unlike numerous other new Pacific island nations that had sought to emulate western countries by erecting large legislative capitals costing huge sums, Tuvalu's national parliament decided early on that formally convening in the open air would in no way detract from the substance of democracy. Traditionally, individual island communities maintained pavilions termed *maneapa* that shielded villagers from rain and sun while allowing tradewinds to cool those taking part in community functions.⁴ The Tuvalu Parliament's decision to forego construction of a large national capital building in favor of an open wood frame national *maneapa* is indicative of their pragmatic understanding of the country's needs and financial limitations.

³ *Cinderellas of the Empire: Toward a History of Kiribati and Tuvalu*. Canberra: Australian National University Press, 1982.

⁴ There are today a larger variety of *maneapas* including one for each of the island communities represented on Funafuti, as well as those built for churches to use for social functions.

National Sovereignty in a Global Age

Perhaps sooner even than Tuvalu's skeptics anticipated, the predictions of budget woes proved to be well founded. The newly elected national officials and civil servants, many of whom had previously been employed with the colonial government in Tarawa, Gilbert Islands, set to work finding ways through which government could generate sufficient revenues to simply maintain existing services such as education and inter-island transport. Given little internal capacity to raise funds through national taxes or levies, Tuvalu officials soon had no choice but to approach metropolitan powers such as Australia, New Zealand and, with reluctance, the United Kingdom, to request bilateral aid packages. There was little time to dream about initiatives that would actually improve the quality of life when day-to-day needs were so pressing, and civil servants needed to be paid.

If the all too apparent lack of natural resources defied standard development paradigms and trajectories for activities such as agricultural development or industrial growth, Tuvalu's new status as a sovereign nation brought with it a range of novel opportunities. Looking beyond the islands' shores, it became apparent to the founders that at least on some fields a small nation like Tuvalu might, if inventive, be able to play in the "international league" and generate per capita benefits that would be inverse to its size. The decision by government policy makers to seek global economic opportunities was based on the recognition that Tuvaluans deeply respected tradition, but also valued formal education, advanced medical care, and generally aspired to an improved standard of living in Tuvalu. It was clear that greater self-reliance as a small island nation required broader linkages outside Tuvalu, indeed well beyond the Pacific. Tuvalu therefore set out to seek opportunities far beyond its own horizons.

One of the first revenue generating endeavors undertaken by the new national government was to issue internationally recognized postage stamps that, because they were rare, had far greater value to collectors than was apparent from the face value. Although this generated less than sixty local jobs for Funafuti residents who packaged

and mailed stamp orders, sales during the first three years of independence became a primary source of government revenue. Indicative of the idiosyncratic nature of this venture, the best selling stamp series for the major US and UK markets featured locomotive engines in a nation that had never seen a railway. To government officials' amazement, revenues at one point grew to well over \$1 million per year. But disappointment soon followed after a world slump in sales and a sizable foreign investment using the philatelic revenues to build up a government reserve account failed, leading to a critical cash flow crisis.⁵ Still, within a few years sales rebounded and the government was confident enough about a new "Leaders of the World" philatelic venture that it agreed to a plan by the United Kingdom for phasing out what had grown to nearly \$1 million in yearly budgetary support. Soon thereafter, overproduction and illicit sales from London again resulted in a precipitous drop in earnings.⁶ Making matters worse, payments under the "Leaders of the World" contract were never fulfilled, leaving Tuvalu by the late 1980s with a shortfall of some \$2 million in anticipated revenues, while at the same time UK government budgetary support was declining at a rate of \$100,000 per annum.

The difficulties confronting the philatelic program were compounded by other, even more serious problems for the new nation. In 1979, American real estate salesman Sydney Gross persuaded several Tuvaluans working in the Republic of the Marshall Islands that he could assist them with attractive investments in the US. Gross subsequently visited Tuvalu and convinced Prime Minister Toalipi Lauti to come to Texas and personally inspect the real estate and investment options that he was offering. The earnest desire for greater financial independence motivated Mr. Lauti to undertake what he admitted was an "unorthodox" approach. Carrying a check for \$550,380—nearly all of Tuvalu's cash on hand—Tuvalu's first Prime Minister, after he was promised a return of 15 percent, parted with the money in California, and expected government to be paid quarterly. Before returning home to inform parliament, he also traveled to Texas to personally view the "Green Valley Acres"

⁵ J. E. Baker, "Tuvalu Trust Fund Proposal," A Report to the Government of Tuvalu. April 1986, p. 3.

⁶ In 1985, for example, Tuvalu issued 373 different postage stamps and the following year issued 245. See *Pacific Islands Monthly*, October 1988, p. 36.

development. Prime Minister Lauti's glowing report, entitled "A Trip of Trips" was followed by a recommendation to the UN Secretary General that Mr. Gross should be given an award for all that "he has done to put this small, poor and developing nation on its feet."⁷

Government officials and a part-Tuvaluan realtor soon convinced many ordinary Tuvaluans, as well as the churches where they worshiped, to invest their savings in the Green Valley land that was part of the large and wealthy American nation they recalled fondly from World War II. It soon became sadly apparent, however, that both the promises of 15 percent earnings for Tuvalu government funds and the Texas desert real estate were a swindle. Outer island communities had paid \$1,000 per acre for land that was appraised at no more than \$50 per acre. Only with the assistance of the US Embassy in Fiji were the government's funds eventually located and returned. The subsequent change in government and selection of a new prime minister in 1982 was attributed to this expensive lesson.⁸ Yet this was by no means Islanders' first experience with the west. Despite Tuvalu's isolation, it has a long history of engagement with other parts of the Pacific and with the West. It was these experiences which shaped Tuvaluans' view of the world in terms of the perils and opportunities it offered.

The First Wave of Global Influences

In contrast to the view that globalization is a "modern" phenomenon beginning in the late twentieth century, Tuvalu's history would suggest a considerably longer chronicle of global influences and engagements. The rise of Pacific whaling during the 1840s and 1850s periodically brought ships to the Ellice Islands, though aside from limited supplies of coconuts, coconut oil, toddy and handicrafts, there was relatively little to offer compared to other larger high islands. Subsequently, demand for dried coconut—copra—in the 1870s attracted commercial firms that deployed

⁷ *Pacific Islands Monthly*, May, 1979 p. 45 and June 1980, p. 22.

⁸ Crocombe, Ron, *The South Pacific*. Suva: University of the South Pacific, 2001, p. 647. Another less than uplifting experience recalled by government officials of the time was when the only major government office building had to be abandoned after being declared structurally unsound and in danger of collapse, stemming from the use of cement mixed with seawater during construction.

full-time agents to oversee the creation of plantations. These individuals facilitated the first regular commercial linkages between Ellice Island residents and world markets. At the same time, visiting commercial ships also allowed small numbers of Ellice Islanders seeking adventure to become crewmembers, some of whom eventually returned having knowledge of the world that would prove useful in future negotiations with outsiders.

However, it was events from the previous decade that stand as one of the defining episodes in the Ellice Islands' precolonial period of globalized commerce. That distinguishing chapter from the 1860s involved the staggering abductions by slavetraders for the purpose of securing cheap labor in Peru and other locales. In 1863 Nukulaelae island in one day lost 250 of its 315 residents to "blackbirders." The same tragedy struck Funafuti where more than half of its residents were stolen and enslaved, never to return.⁹ Numerous other Pacific islands also suffered devastating demographic losses due to blackbirding and, equally important, the introduction of previously unknown diseases for which local residents had little natural resistance, leading to widespread depopulation. Yet it is highly unlikely that any other Pacific society in such an instantaneous fashion suffered greater losses as a percentage of its population than did Ellice Islanders.

Ellice Island missionary activity in the 1800s represented a different and more enduring, albeit indirect, form of contact with the west that became key to the formation of a common identity. The introduction of Christianity by the London Missionary Society (LMS), with its predictable fits and starts, hinged on the ability of LMS pastors to work with local chiefs and adjust to local ways. To the extent that Samoan socio-cultural patterns and linguistic similarities easily melded with those of Ellice Islanders, heavy reliance on Samoan LMS missionaries during the 1870s and 1880s to introduce a "world religion" was highly effective. To be sure, missionaries pressed for an end to common practices such as fermented toddy drinking and

⁹ Laumua Kofe "Palagi and Pastors" in Hugh Larcy (ed.) *Tuvalu: A History*. Suva: Institute of Pacific Studies, University of the South Pacific, 1983, p. 107.

polygamy, but a far more successful endeavor involved the introduction of literacy. The almost magical qualities associated with reading and writing brought people to mission classes nearly every day of the week as they sought to absorb the Samoan language bible.

Colonial Consolidation

The designation Ellice islands was first intended as a western renaming of Funafuti atoll and its islets in honor of British parliamentarian and businessman Edward Ellice. However, twenty-two years later the US-funded Wilkes' Expedition of 1841 enlarged this original designation to encompass the entire group of nine islands spread over an area of hundreds of miles.¹⁰ By 1893 the Ellice islands had been declared a British Protectorate to constrain expanding American commercial endeavors in the region. For the next two decades Ellice islanders and Gilbert islanders to the north lived under a common British administrative grid, and in 1916 formally became part of a single colony.

A minimal colonial administrative presence relied heavily on indigenous chiefs to enforce laws, serve as magistrates, and represent the colony's district officer based in Funafuti. This form of indirect colonial rule with less than a handful of British colonial officials for the entire Gilbert and Ellice Islands Colony (and no British military presence) functioned rather untidily. But the permanent presence of Samoan Pastors assigned to each island by the LMS in many ways compensated for the insufficient colonial bureaucracy.¹¹ LMS church strictures were generally in keeping with colonial laws, making feasible this skeletal British presence.

Samoan cultural influences were thus more significant in shaping Ellice Islander society than in locations that attracted far greater numbers of western missionaries, as was the case, for example, in Hawai'i. Throughout most of the colonial period it was

¹⁰ Cinderellas p. 16

¹¹ As late as the 1960s there were still several Samoan pastors serving outer islands. Only in the late 1970s did Tuvalu finally stop using the Samoan language bible for one that was translated into Tuvaluan.

fellow islanders (i.e., Samoan pastors) and not whites who, on a day-to-day basis, were seen by Ellice Islanders as having the highest positions of respect and authority. This left a significantly different psychological imprint and mitigated the legacy of colonial conditioning in terms of Tuvaluans' confidence in their traditions and, most importantly, confidence in themselves. LMS missionary activity, bereft of competing denominations, and British colonial rule were mutually reinforcing, and helped to construct the social foundation for what would become the independent nation of Tuvalu.¹²

Outside economic influences continued to be felt long after the first wave of 19th century globalization that, as discussed previously, included whaling, commercial coconut production, the trauma of blackbirding, and British colonization. The direct impact was, however, less severe than earlier encounters. The Great Depression of the 1930s and the consequent drop in copra prices exemplifies how Ellice Islanders were loosely tied but not yoked to world markets and goods produced outside the Pacific. As Donald Kennedy, the long-tenured district officer and educator remembered for his harshness observed, local residents were more fortunate than those in the west. "This [world depression] cannot be held to have brought any hardship on the Ellice Islanders beyond a reduction in their supply of ready cash for the purchase of clothing and of a very small percentage of their food supply."¹³

One of Kennedy's most enduring legacies that would in time place Ellice Islanders in nearly all of the colony's key "native" administrative positions was the introduction of rigorous secondary education. Equally important, however, were the economic concepts that he fostered. Kennedy was responsible for the founding of cooperative trading societies or *fusi* built upon the notion of "collective commercialism" that had been established early on by chiefs who led community negotiations with copra

¹² Moreover, to the extent island communities spoke basically the same language and because of their geographical proximity had more frequent contact for trade and intermarriage than was the case with more distant islands, a sense of oneness was reinforced.

¹³ Tuvalu National Archives, Ellice Islands District Report for 1932 p. 2. To gain perspective on Kennedy's understanding of Ellice Island Society see his *Field Notes on the Culture of Vaitupu—Ellice Islands* (Memoirs of the Polynesian Society, 1931) New Plymouth, New Zealand, and his annual reports.

traders to obtain better prices.¹⁴ Of even greater significance over the long-term, colonial district officers with the assistance of church pastors consistently encouraged the establishment of investment accounts outside the colony. Though certainly not huge sums, island residents, traditionally accustomed to lives of frugality as insurance in times of drought or calamity, regularly invested cash savings, remittances, and other forms of compensation. Church funds were also invested in overseas accounts.¹⁵ This created an awareness of a financial world far removed from the Pacific where, metaphorically, it was said that a nest egg could hatch and give birth to a larger flock. This tradition of frugality and saving would also serve to benefit Ellice Islanders in the years to come.

World War II

For the Gilbert and Ellice Island Colony, World War II brought tremendous disruptions. Gilbert Islanders experienced the Japanese occupation and trauma that accompanied devastating fighting in the Battle of Tarawa and associated engagements. By contrast, Ellice Islanders encountered a time of unparalleled, if short-lived, prosperity. Within a year of the 1941 attack on Pearl Harbor, the Japanese controlled much of the Gilberts, including Tarawa, and preparations were underway in the Ellice Islands for American bases, including vital airfields, on Funafuti, Nukufetau, and Nanumea.

The massive scale and intensity of these construction operations was far beyond anything Ellice Islanders had seen before. Heavy equipment dredged lagoons and cleared large swaths of real estate, among residents most treasured asset. Wisely, the decision was made to relocate and cordon off villages from the thousands of arriving American soldiers, who within months constituted the majority population.¹⁶

¹⁴ This practice of collective commercialism appears to continue on Funafuti where the most popular bar/nightclub is collectively owned and operated by the Funafuti community with proceeds underwriting the cost of public projects. The less positive aspect of such practices includes difficulties in collecting payments on utilities and other similar goods where charges tend to accumulate.

¹⁵ *Cinderellas of the Empire*, pp. 142, 246.

¹⁶ At the peak of American activity, there were in excess of 6000 US military personnel. See Melei Telavi "War" in Hugh Larcy (ed.) *Tuvalu: A History*. Suva: Institute of Pacific Studies, University of the South Pacific, 1983, pp. 140-144.

Residents still recall how garden areas disappeared, rations were introduced, and wage employment became de rigueur. The airfields alone, constructed with crushed coral mined from huge pits (that still remain) covered as much as one-fourth of the atolls' prime land area. From these three locations US planes flew to gather intelligence information and in November 1943 the airfields served as critical launching points for the costly central Pacific campaign targeting Japanese forces in the Gilberts.

Ellice Island Labor Corps were key to this entire effort. Organized along military lines, each laborer received a rank, and in many cases learned how to drive and use heavy machinery. These island men worked side by side with Americans clearing land, stevedoring and blasting coral reefs, while local women assisted with a variety of support tasks and experienced unprecedented demand for the local handicrafts which they sold. Weekends included free American films and boat rides around the lagoon.

Ellice Islander's World War II experiences are still recalled in vivid terms. Yet what is most notable is that Ellice Islanders avoided the destructive fighting experienced by many Gilbertese who were caught between competing world powers. By the end of the war and return of British colonial rule, an energetic and more worldly cohort of young Ellice Islanders had completed their formal secondary studies. Unlike their Gilbertese peers who endured a prolonged cessation of schooling and therefore fell behind, Ellice islanders were ready and eager to work as model civil servants in the colonial capital of Tarawa, or seize opportunities for wage jobs connected with the open pit phosphate mines of Banaba and Nauru.

From Gilbert and Ellice Islands Colony to Tuvalu

In contrast to the often violent and drawn out wars of independence to end colonial rule witnessed in other parts of the globe, the Pacific islands experienced remarkably little upheaval. Fiji, which was both an economic and political center for the South Pacific, gained independence from Britain in 1970. Perhaps even more influential in

the minds of Ellice islanders was Nauru's transition five years earlier from colony to nation. This single small island state immediately became known for having one of the world's highest per capita incomes that rivaled some small oil rich states in the middle east. While virtually none of the hundreds of Ellice Islanders employed in Nauru's then thriving phosphate industry believed such revenue prospects existed for the Ellice group, it was apparent that with approximately the same population and land area, Nauruans had successfully joined the community of independent nation-states.

But even more important to the idea of national independence in the 1960s and 1970s was the process of indigenization within the Church of Tuvalu, to which more than 97 percent of island residents belonged. As far back as the 1930s, the outer atoll churches had Ellice Islander assistant pastors trained in Samoa serving as staff to the Samoan head pastors. Beginning in the early 1950s, some Ellice Islanders had brought before the Church's General Assembly in Funafuti the idea of repatriating Samoan pastors and using the local language, rather than Samoan, when preaching or reading from the Bible. It was said by nationalist Ellice Islanders who had studied abroad and served as overseas missionaries for the LMS that Ellice Islanders "had been deprived of their identity by the dominant influence of Samoan pastors." It was further argued that Samoan church hegemony was "dominant in almost every aspect of the people's culture, in language, worship and even the political life of the people."¹⁷

To regain what was termed "their cultural identity" several pastors sought to prove to conservative Ellice Islander church members that their own language was "fitting" for Christian worship. Surprisingly, financial support was not an issue because Ellice islanders had for years supported not only their pastors but even remitted contributions to the "mother" Church of Samoa. By 1969 the General Assembly of the Church of Tuvalu had adopted its own constitution, becoming an independent

¹⁷ Laumua Kofe, "The Tuvalu Church: A Socio-Historical Survey of its Development Toward an Indigenous Church," pp. 70-75.

branch of the LMS led by indigenous pastors. The relative ease of this successful transition, and the fact that the geographical boundaries and membership in the Church of Tuvalu were isomorphic with the idea of Tuvalu itself, gave considerable momentum to those favoring an independent nation-state. Put simply, it was not difficult to imagine a sovereign national community when a congruent self-governing ecclesiastical community already existed.¹⁸

Ellice Islanders' real struggle for self-government during the 1970s hinged not on the colonial relationship with distant London, which since the 1960s had accepted the inevitable shift in the tide toward decolonization. Rather, it was the desire to be just Tuvalu—meaning eight together—independent of the Gilbert Islands with its capital in distant Tarawa.¹⁹ British officials considered it highly implausible that the Ellice Islands could be viable as a modern nation state. Still, all efforts by British colonial officials during the early 1970s to sway Ellice Islanders to remain as one with the Gilbert Islands failed. Convinced that, among other factors, it was better to be a poor majority in their own nation than a poor minority in a larger entity, fully 92 percent (3,799) of the Ellice islanders who voted on the issue chose to become independent Tuvalu.²⁰

Cold War Rivalries

The early years of nationhood, as previously discussed, witnessed misjudgments and stumbles that severely undermined the Government of Tuvalu's credibility at home and abroad. The basics of modern statecraft seemed to elude officials and policymakers. Yet perseverance, learning, and status as a sovereign nation that could negotiate internationally in time allowed Tuvalu to recover from its difficult start. An

¹⁸ Tuvalu's small population calls to mind and perhaps tests Benedict Anderson's classic definition of nations as "imagined communities" wherein "members of even the smallest nation will never know most of their fellow-members, meet them, or even hear of them, yet in the minds of each lives the image of their communion." *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, London: Verso, 1983, p. 15.

¹⁹ Tuvalu's ninth island, Niulakita, did not have a permanent settlement until after World War II. Most residents there have roots in Niutao.

²⁰ It is notable that the term Tuvalu had already been in circulation for many years, as indicated by the newsletter *Tala O Tuvalu* published from the 1940s through the 1960s. Copies are found in the Tuvalu National Archives.

important element in this process were the opportunities presented in the 1980s by the spread of intense cold war rivalries to the South Pacific.

In 1982 the UN International Law of the Sea established exclusive economic zones (EEZ) extending 200 miles from the shores of all nations possessing coastal boundaries. This new definition of sovereign territory added huge expanses to the domains of Pacific island nations, including Tuvalu. Particularly significant were the implications for lucrative fishing rights that now became an issue for negotiation. Distant fishing nations had to approach island nations and offer “rental” payments to gain legal access to the Pacific’s multi-billion dollar tuna stock.

The United States and Japan, each with influential business interests highly dependent on Pacific tuna, were among early contenders for fishing rights. However Soviet officials also began visiting island governments with lucrative offers. As rivalries intensified, it became a serious matter when the former Gilbert Islands, now independent Kiribati, entered into a financially attractive one-year fishing agreement with Soviet officials. Kiribati’s expansive EEZ, just south of Hawai‘i and stretching across an area that roughly equals the distance between New York and California, was especially valuable to the Soviet military. After so many decades of unrivaled US naval supremacy in the Pacific, it appeared that the Soviet Navy, under the guise of fishing fleets, would have access and docking rights in Pacific waters.

For the first time since World War II Pacific islands became strategically important again. However most of the islands, now independent nations, were no longer the acquiescent colonies of the past. What had for some metropolitan governments been a thinly veiled attitude of paternalism or amused condescension hastily yielded to serious consideration of strategic interests.²¹ Even the smallest Pacific island nations

²¹ In light of these developments Australia, France, Japan, New Zealand and the United States all increased their level of activity in the Pacific. New aid offices were opened and scholarship opportunities expanded. The United States Information Service maintained a vibrant and well-staffed regional office in Suva, Fiji. New Zealand even opened its first full-time atoll diplomatic post in Tarawa. Funafuti’s expansive lagoon regularly saw naval vessels making ports of call for civic action projects such as painting elementary schools or evening tarring entire roads.

gained a level of peace-time importance that had not been seen since Great Britain, to assist Germany, established “protectorates” nearly one-hundred years earlier to preclude expansion of American influence.

Within this context, Soviet officials opened discussions with the Government of Tuvalu to secure fishing licenses. These overtures, reported to include promises of \$1.7 million per annum, were met with caution, but not ruled out given an extremely difficult budgetary outlook.²² In hopes of securing other forms of aid from international organizations, Tuvalu around this time applied to the United Nations for “Least Developed Country” status. The authors of one of the most comprehensive economic analysis of the period, funded by the Australian government, concluded, “The poverty of Tuvalu is due more to a lack of resources capable of development than to a lack of development action.” In the face of mounting and projected multi-million dollar budget deficits caused in large part by foreign outflows, the report concluded pessimistically, “...we see no significant scope for improvement without considerable reduction in the very modest Tuvalu standard of living, or in the barely adequate level of services associated with the status of an independent nation.”²³ For Tuvalu, the “Soviet solution” appeared increasingly necessary.

In Tuvalu We Trust

By 1986 the United Kingdom had grown weary of providing seemingly interminable annual budget subventions. Tuvalu had grown equally disillusioned with UK officials’ presumption that they still had the right to opine quite directly about the budgetary matters of a sovereign state. Budget officials recall a British bureaucracy that penalized Tuvalu when public expenditures were over-budget, as well as when expenditures were under-budget. Recalling the tradition of successful overseas investments facilitated by colonial and church leaders from earlier in the century,

²² Consultants of this period warned, “If Tuvalu is dependent on this income from the USSR to meet its expenditure commitments, then the leverage of the USSR is obviously very great. We believe this degree of control and influence by the USSR on Tuvalu is not acceptable either to the Government of Tuvalu or to its traditional development assistance donors.” See E.K. Fisk and C.S. Mellor, “Tuvalu Trust Fund Appraisal Study,” Australian Development Assistance Bureau, Pacific Bureau, July 1986, p. 108.

²³ E.K. Fisk and C.S. Mellor, pp. 2-3.

Tuvalu officials well before independence had attempted to broach with British negotiators the idea of establishing a major public trust fund. The fund was proposed to help Tuvalu finance chronic budget deficits, underpin economic development and achieve greater financial autonomy.²⁴ The idea had gained momentum when Kiribati became independent in 1979 and inherited \$68 million from the Revenue Equalisation Reserve Fund (RERF), originally capitalized from colonial taxes on the Ocean Island phosphate mining operation.

Tuvalu's initial disappointment when independence came in 1978, and they received no share of the RERF, had not dissuaded Minister of Finance Henry Naisali and his colleagues. They patiently continued to pursue establishment of a trust fund with contributions from the metropolitan powers, and from what meager funds Tuvalu could itself manage to mobilize. In 1982 Tuvalu formally proposed to the UK a "once and for all" contribution in lieu of ongoing annual budget support. The response from Britain was that as a matter of policy, Her Majesties Government did not provide aid in advance of demonstrated need. Overtures were also made to Australia and New Zealand, but both nations similarly declined.

Meanwhile, interest by the USSR in securing fishing rights remained strong as Tuvalu's severe budgetary problems continued. New Zealand's initial disinclination to rely on world markets to fund public activities in some of the Pacific's remotest atolls received further thought and discussion over several years as this novel idea for "development assistance" was refined. Following submission of a formal prospectus outlining the specific purposes and structure of the proposed fund's management, with multiple structural checks and balances, New Zealand, by far the smallest of the three major donors, stepped forward with a pledge of A\$8 million, contingent upon Australia's and the United Kingdom's participation.

²⁴ Tuvalu Trust Fund, 10th Anniversary Profile 1987-1997, p. 1. It is notable that Ellice Islanders' impressive history of mobilizing cash resources included establishment in 1950 of a 10,000 endowment to finance appointment of a resident missionary. See Kofe, p. 74.

On June 16, 1987, the Tuvalu Trust Fund (TTF) was established at a signing ceremony in the New Zealand High Commissioner's Office based in Suva, Fiji. Australia, New Zealand and the United Kingdom together contributed just under \$25 million, with Tuvalu investing \$1.6 million. Japan and Korea also made modest contributions. By international agreement, the parties established an international board chaired by Tuvalu, and an independent international advisory committee that meets in Tuvalu twice each year (one month prior to the board meetings) to review economic and financial developments. In keeping with the need for a trust fund that would be self-perpetuating, the parties agreed that the real capital value would always be maintained. Professional fund managers in Australia were hired to ensure that the fund's value would grow. Draw down distributions (i.e., returns) received by the Tuvalu Government were calculated annually by adjusting for inflation and subtracting administrative costs. The first three years saw considerable disappointment in the TTF as market conditions declined, yielding in its first year virtually no draw down revenues for the government. However, the pace of world markets in the 1990s brought windfalls that not only bridged revenue shortfalls but even allowed Tuvalu to make substantial additional contributions to the fund's corpus.

The experience of having years when the government realized small or no returns from the TTF because of fluctuations in Australian markets (where the majority of TTF are invested) led to creation of a "B Account" controlled exclusively by the Government of Tuvalu. The "B Account" allows the Ministry of Finance to maintain a sufficient buffer account to bridge years when TTF returns do not maintain the fund's real balance, and there is no "distribution." There have to date been four years when the maintained value of the fund was insufficient to allow any distribution to government.

Despite adhering to some of the most frugal fiscal policies in the entire region,²⁵ Tuvalu's annual recurrent costs have in most years exceeded normal revenues. An emergent private sector with very limited scope for rapid expansion leaves little realistic hope that revenues from Tuvalu's internal tax base will in the short-term grow substantially. At the same time, government policy makers, seeing the long-term need for greater economic sustainability, and less reliance on aid, have made determined efforts to reinvest trust fund returns. By 1998 Tuvalu had consistently made such significant new "infusions" into the fund's corpus that they became the major shareholder of the fund.

The success of the TTF was a major step forward in advancing Tuvalu's sovereignty, and its long-term future. No longer was it necessary to travel to London each year with hat in hand. Indeed the TTF has become a model for financial sustainability that other Pacific island nations and multilateral lending institutions are now attempting to emulate. Still, the TTF has not proven to be the panacea some had anticipated. Even with major injections of new capital into the fund, and a number of years yielding windfall growth, the fund has thus far been used almost exclusively as a means to support the annual recurrent budget, given perennial shortfalls from other revenue sources. It has not supported major development projects. On balance, however, it allows Tuvalu to manage its economy in a manner that has avoided major budgetary shortfalls and the debt trap enveloping some other small island states. Perhaps the strongest testimony to its overall success was the establishment in 1999 of an entirely new international trust fund termed *Falekaupule*. Capitalized with assistance from the Asian Development Bank at \$12 million, it is designed to underwrite the costs and projects of island local governments. Ironically, the tremendous achievements of the TTF in securing greater self-reliance and financial sustainability have yielded another unanticipated benefit— additional bilateral aid from donors who are anxious to see their funds put to good use in a well-managed economy.

²⁵ Tuvalu mints its own coins but relies on the Australian dollar as its currency, leaving little scope for monetary policy.

Embracing Global Opportunities: Telephone Sex and Overseas Merchant Seamen

The Tuvalu Trust Fund represents but one of multiple forms of global engagement that have made Tuvalu increasingly capable of reducing dependence on metropolitan powers. These have included opportunities for international commercial ventures, diplomatic initiatives, as well as the movement of Tuvaluans for overseas employment. Furthermore, as is common in most Polynesian societies, Tuvalu has experienced considerable out-migration. Some 500 Tuvaluans reside more or less permanently in Fiji, and well over 1,000 are based in New Zealand, primarily around Auckland. This has to some extent relieved population pressures and also generated sizable remittances. Overseas Tuvaluans more cosmopolitan view of the world is felt in the homeland as a consequence of occasional visits as well as frequent written, telephone and Internet communication.

Despite this international movement, however, Tuvalu's population growth of 1.4 percent has steadily placed increasing demands on government services such as education, health, and international transport.²⁶ Increasing popular demand for "development" or improvements in the quality of life in terms of better roads, more water, and improved outer island services, though hardly militant, has been articulated at the polls. At the same time, Tuvaluans have with little fanfare has sought to maintain their strong culture and traditions, including laws prohibiting consumption of alcoholic drinks apart from fermented toddy on outer islands. While the people of Tuvalu have demonstrated an extraordinary ability to forego current consumption in favor of investments that will provide greater security, it has not dampened the desire for improvements in the quality of life as defined by local standards. Opportunities that over generations have actively linked Tuvaluans with

²⁶ There appears to be little disagreement that educational standards have been declining in recent years. While health statistics paint a more complex picture, it is clear that dietary changes toward consumption of imported white rice and canned goods has not been beneficial. The ongoing problem over many years with establishing regular and reliable air service has recently led Tuvalu to take a financial risk by purchasing a major share in Air Fiji. This has brought three regular flights per week to the capital. There is no interisland air service within Tuvalu making for very serious situations when medical emergencies arise.

the global community continue to take many forms, especially those based on new technologies.

One of the most controversial measures to raise revenues from outside Tuvalu in the 1990s involved rental arrangements for the national telecommunications company. It was found that by leasing Tuvalu's international telephone routing code (i.e., the country code) to New Zealand-based telephone sex firms, callers paying by credit card were able to maintain their anonymity on telephone calling records.²⁷ This unusual lease arrangement generated up to \$2 million in revenues per annum for the government telecommunications. After eight years of country code rental income that contributed approximately ten percent of the national budget, news of the enterprise became more widely known. Church leaders and others increasingly inveighed against allowing use of the telephone technology in this manner, even though they were assured Tuvalu residents could not under any circumstances avail of the service. By the late 1990s, internal criticism coupled with disagreements over Tuvalu's access to company calling records eventually caused Tuvalu to abandon this endeavor.

Another undertaking with global reach is the Tuvalu Marine Training Institute (TMTI) that each year offers scores of young men instruction in the skills necessary to staff commercial cargo ships worldwide. The TMTI is built upon Tuvaluans' tradition of long distance sea travel but has its contemporary genesis in a 1967 emergency port call in Tarawa, where a German cargo ship allowed an injured crew member to disembark. During this time the ship's captain observed a number of young men who did not appear to have gainful employment. Mindful of labor shortages in western Europe, the captain spoke with colonial officials and made arrangements for future recruitment. Soon young Gilbert and Ellice Islands seafarers were reputed to be among the best crews working on German ships. After independence, maritime training schools were established in both Tuvalu and Kiribati.

²⁷ *Islands Business*, July 1996, p. 40.

Each year young Tuvaluan men compete to be part of an entering class of 40 to 60 cadets who receive internationally accredited classroom and practical instruction in machining, welding, firefighting, first aid, emergency evacuation, etc. Over the years TMTI has a successful history of maintaining a special relationship with German shipping firms that employ some 450 TMTI graduates. This high degree of satisfaction with the Tuvalu maritime workers employed around the globe is essential given the paucity of other employment opportunities, particularly for young men lacking high school degrees. More recently some workers have pursued higher education and are becoming officers. The minimum wage for a TMTI graduate is approximately \$1,000 per month, with most Tuvaluan seamen making considerably more based on unionized overtime rates. It is estimated that the maritime workers send home remittances in excess of \$5 million per year.²⁸

All other sources of private-sector employment combined do not come close to approaching either the number of maritime industry jobs or the economic stimulus provided by remittances, especially on the outer islands. It is estimated by government officials that one in four Tuvaluan males between the ages of 18 and 40 are employed as maritime workers. What the long-term implications may be for young families that are separated for extended periods year after year remains to be seen. But without this source of international employment in the globalized movement of commercial goods, it is not difficult to envisage a range of social pressures within Tuvalu society having no comparable productive release. To the extent that the maritime workers acquire new ideas and a more cosmopolitan outlook on the world, these views are for both better and worse reflected in social change throughout the nation.

²⁸ German recruiting agencies lament that in recent years the number of Tuvalu seamen who are dismissed before the conclusion of their normal one-year contract has increased. The Tuvalu Seafarers' Wives Association has recently met with German manpower officials to request that maritime workers be tested and, when necessary, treated for sexually transmitted diseases before they come home.

International Diplomacy: Asia in the Pacific

Although Tuvalu census figures indicate the presence of less than 10 Asians, this number belies the importance of Asia, and particularly China, to Tuvalu. With the ending of the cold war it was not long before the previously discussed competition between western powers and the USSR abruptly ceased, and much of the outside interest in the Pacific waned. Following a brief interregnum, a new and seemingly even more intense round of regional competition began between the Peoples Republic of China and the Republic of China Taiwan. Official recognition has become something of a high stakes sport as aid packages and foreign travel are bandied about to win support. Since establishing relations with Taiwan in 1979, Tuvalu has received assistance from Taipei for many development projects, including construction of the only sixteen-room hotel. Taiwanese fishing vessels have, in turn, gained unhampered access to Tuvalu's rich EEZ. Another chapter in the relationship opened when Tonga in 1998 switched its recognition to Beijing, and Taiwan established Tuvalu's first foreign embassy housing a full-time staff, replete with a vehicle that displays the official flag on its front bumper as it moves around town. Aid subsequently increased, and "The Embassy" recently underwrote a new fleet of Tuvalu government vehicles for each of the cabinet ministers. Tuvalu's international profile and importance to Taiwan was raised significantly last year when it became the 189th member of the United Nations. While most other Pacific island nations now recognize the Peoples Republic of China, Tuvalu as a sovereign nation has clearly benefited from its ability to negotiate the terms of its international relationships.

The Dash for dotTV

The publicity associated with Tuvalu's joining the UN paled in comparison to the worldwide media exposure that came from what by all accounts was little more than good luck in the global age of cyberspace. Beginning in the mid 1990s, Tuvalu was made aware that it had been assigned the international country-code Top-Level Domain name "tv". But unlike Japan, which was assigned "jp" or the Philippines, which was assigned "ph", Tuvalu's domain name had obvious commercial potential. In 1998 the government without any advance notice received a casually dressed

visitor who offered US \$50 million for an exclusive contract to lease Tuvalu's Internet address. Although Internet connectivity had yet to reach Funafuti, the pressure for parliament to agree to an offer that was well over twice the national budget did not immediately convince public servants to consent to the proposal. Instead, having learned from past misjudgments, legal and technical assistance was sought to negotiate a marketing agreement that would strengthen the nation's future financial position.

The original agreement with a Canadian firm to lease the dotTV domain name globally did not meet Tuvalu's expectations as marketing plans failed to materialize. This disappointment resulted in new negotiations, and by 2000 an improved management rights agreement was in place with Idealab!, a California-based company that became the majority shareholder in dotTV Corporation. Aside from quarterly payments of \$1 million over 12.5 years, the government in 2000 received a windfall payment of \$12.5 million after the majority shareholder exercised its call option. The preponderance of this windfall was transferred into the Tuvalu Trust Fund. Most recently, the dotTV Corporation was sold to VeriSign, the owners dotCOM and dotORG, the two largest domain names in the world.²⁹ As a result of these windfall revenues, Tuvalu last year was for the first time able to finance from its own resources a portion of its development budget, including the installation of its first streetlights and the inaugural tarring of Funafuti's roadways.

Small is Viable

Visitors to Tuvalu note that their airline baggage destination tags list FUN as the abbreviation for Funafuti. And soon after arrival in the capital, one may observe on the streets a popular tee-shirt with the slogan endearingly proclaiming, "Tuvalu, I Love You." To be sure, there is much love, joy and laughter in Tuvalu's vibrant community *maneapa* pavilions, several of which are almost invariably in use on any given night. Nonetheless, Tuvalu, like all other societies, faces a range of serious

²⁹ Upon opening Microsoft's Internet Explorer today one frequently observes a VeriSign advertising window featuring the .tv domain name extension.

problems. The negative consequences of globalization are evident in the reports of sexually transmitted diseases being brought home by seamen. Other serious problems include male alcohol abuse, declining educational standards, teenage suicide, nonexistent sewage treatment, and many more. Inefficiencies and opportunity costs are many. It is likely, for instance, that substantial revenues are going uncollected from inadequate monitoring of foreign fishing vessels trolling in Tuvalu's EEZ. And despite improvements in the economic outlook that were unimaginable fifteen years ago, bilateral aid must still be sought for many capital improvements, and funds are allocated for only the most essential maintenance work on public infrastructure.³⁰

At the same time, Tuvalu is one of the very few nations in the world that can claim a perfect human rights record, nearly universal literacy, a dearth of violent crime, and a level of civility that is second to none. Fair and open competitive elections are regularly held with members of parliament and prime ministers relinquishing their positions without legal wrangling or extra-constitutional measures. There have been no less than four prime ministers in the past five years.³¹

As a comparatively egalitarian society with strong interpersonal bonds and a noteworthy inclination toward open government, there has never been a serious problem with corruption. While well aware of the meaning of sovereignty, Tuvalu's leaders have shown little inclination toward strident nationalism.³² There is no

³⁰ Only Australia's Ausaid program maintains a full-time presence. Japan, New Zealand and Taiwan make significant aid investments. Revenues from the American fishing agreement are also quite substantial, averaging several million dollars per year. The United States from time to time contributes to special projects such as school expansion and over the past decade the State Department's Bureau of Educational and Cultural Affairs has supported seven undergraduate and graduate scholarships.

³¹ Interestingly, though just under 50 percent of Tuvalu's population resides in Funafuti, a considerable percentage of Funafuti residents vote for candidates running in their "home" islands as defined by genealogy or marriage. Parliamentary sessions convene two to three times per year, normally for a period of about two weeks. Two elected parliamentarians represent each of the seven "major" islands while the island of Niulakita is allotted a single representative in view of its 60 person population. Debates have always been in the vernacular and are widely followed via live radio broadcasts. Citizens on outer islands have since the advent of telephone service been known to call the clerk of parliament to request on-the-air correction of what they deem to be untruthful statements by their representatives.

³² One of the most visible signs of patriotism are the Tuvalu t-shirts produced annually as part of independence "Tuvalu Day" celebrations that ordinarily span at least forty-eight hours. The shirts display the motto found at the base of Tuvalu's national seal: "Tuvalu Mo Te Atua." Tuvalu for God. At one point in the mid 1990s, the national flag was changed to remove the small Union Jack

tradition of erecting statues of political figures nor is there, as yet, a “national hero.” But Tuvaluans’ belief in their ability to do things in their own way is clearly evident in public and private sectors that employ only a very small number of non-citizens from other island nations or from metropolitan centers.³³ Emphasis is consistently placed on investing in human capital through institutions such as the University of the South Pacific, a Fiji-based region-wide institution owned and financed by a consortium of thirteen island governments, including Tuvalu. Public servants face mandatory retirement at age 50, a requirement that has brought vitality and fresh approaches to government and a cohort of relatively young retired public servants who have established small businesses.

After nearly a quarter-century, the standard accoutrements of a sovereign state are very much in evidence: an international arrival terminal featuring a “VIP room” that bypasses normal immigration lines, state dinners for visiting dignitaries before which the prime minister arrives in a large sports utility vehicle escorted by uniformed motorcycle police with red lights flashing,³⁴ and the recently opened Tuvalu Embassy in Fiji, complete with electronic security doors. Like the presence of a flag, these accessories and protocols are at once familiar and expected features of statecraft. Yet as recent coups in other parts of the Pacific have clearly shown, such trappings and trimmings are far less important than the bonds of oneness and sense of purpose that underlie Tuvalu’s nationhood. If Tuvalu’s future is inextricably linked to an increasing array of global forces, as would appear to be inevitable, it is buttressed by an implicit appreciation of how previous waves of globalization have for better and worse shaped contemporary society.

positioned next to the gold stars signifying each island, but this was reversed after the election of a new prime minister.

³³ A survey of Funafuti in November 2001 revealed a population of 4480. Of that number there were 52 Fijians, 41 I-kiribati, 15 Samoans, and 26 other Pacific islanders. Additional non-citizens included only 8 Asians, 8 Europeans, 5 New Zealanders, and 1 Australian (excluding temporary Australian military personnel assigned to the Australia-Pacific Patrol Boat Defence Cooperation Project).

³⁴ The food served at such feasts is indicative of the way in which globalized tastes mix. Imported wines complement succulent pigs slowly cooked in traditional earthen stone ovens or *umu*.

Tuvalu has always attempted to engage the forces of globalization on its own terms. As is evident, this has not always been easy or even possible for a small island group to achieve. Tuvaluans know that as a nation of 10,000 they must manage many of the responsibilities that challenge nations composed of many millions. In an interdependent world, independence has many meanings for nations large or small. Notions of economic independence and sustainability must be seen in many different contexts. What is clear is that from the days when islanders first negotiated collectively through their chiefs for better terms with copra traders to overseas investments in the Internet, the global forays have always sought to improve the quality of life at home.³⁵

At its peak, the USSR was a behemoth that by virtue of its overwhelming size and power could, without formally colonizing small bordering states such as Finland, effectively control their actions. This process of “Finlandization” has certain parallels in the Pacific, where neighboring metropolitan nations on the rim are still able to impose their will.³⁶ Island nations must constantly temper their actions to ensure that smooth relations prevail with neighboring world powers. Yet to an extent few would have predicted at the outset, Tuvalu, despite its blunders, diminutive size and lack of resources, has shown a new way forward in asserting a greater measure of sovereignty, and thereby achieving fuller latitude in directing its own destiny. Realizing its own limitations internally, Tuvalu’s leaders have worked to make the most of global opportunities that will improve life for all Tuvaluans.

It is argued that few if any sovereign states have the capacity to truly manage the process of globalization. Yet it is interesting to observe how Tuvalu is today by its own choice more intimately linked than ever before to the benefits that may accrue from improved global communication, trade, and migration. At the same time this

³⁵ An example of this selectivity has been Tuvalu’s decision to establish Internet connectivity while foregoing investments that would bring international satellite television into the nation’s homes.

³⁶ One of the most recent examples is the case of Australia, which devised a “Pacific Solution” to its refugee problem by forcibly deploying “boat people” to the financially strapped Pacific nations of Nauru and Papua New Guinea.

engagement with globalization has and will, no doubt, continue to bring to the islands' shores the perils of transnational flotsam. As other nations in the Pacific and beyond have sadly proven, poor decision making by government could easily sink Tuvalu economically well before predicted sea level rise swamps its shores. The continued wisdom to discern opportunities that will enhance Tuvaluans' welfare while rebuffing those which may undermine all that has been achieved is by no means a certainty. Yet based on all the lessons that have been learned in the early decades, there is every reason to believe that Tuvaluans will continue to offer important lessons for development and nation building. As Tuvalu proudly approaches its 25th year of independence, its people know well both the joys and woes of nationhood.

Acknowledgements

I am deeply grateful to James M. Conway, Sitiveni Halapua, Nese Ituaso, Panapasi Nelesone, Semu Taafaki, Terence Wesley-Smith, Waslen Pokpaso, and Scott Kroeker for their kind assistance. However, the author is wholly responsible for any and all deficiencies.

References

- Anderson, Benedict
1983 *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, London: Verso.
- Baker, J.E.
1986 "Tuvalu Trust Fund Proposal," A Report to the Government of Tuvalu.
- Bell, Brian with Garry Wiseman and Tony Hughes
1997 "Tuvalu Trust Fund, 10th Anniversary Profile, 1987 – 1997." Wellington: privately printed.
- Crocombe, Ron
2001 *The South Pacific*. Suva: University of the South Pacific.
- Fisk, E.K. and C.S. Mellor
1986 "Tuvalu Trust Fund Appraisal Study," Australian Development Assistance Bureau, Pacific Bureau, Government of Australia.
- Hau'ofa, Epeli
1994 "Our Sea of Islands" *The Contemporary Pacific* 6 (1): 148-161.
- Kennedy, Donald
1931 *Field Notes on the Culture of Vaitupu—Ellice Islands*. New Plymouth, New Zealand: Memoirs of the Polynesian Society.
- Koch, Gerd
1981 (1961) *The Material Culture of Tuvalu*. (Trans. by G. Slatter.) Suva: Institute of Pacific Studies, University of the South Pacific.
- Kofe, Laumua
1976 "The Tuvalu Church: A Socio-Historical Survey of its Development Towards an Indigenous Church." Thesis submitted to the Pacific Theological College, Suva.
- Larcy, Hugh (ed.)
1983 *Tuvalu: A History*. Suva: Institute of Pacific Studies, University of the South Pacific.
- Macdonald, Barrie
1982 *Cinderellas of the Empire: Toward a History of Kiribati and Tuvalu*. Canberra: Australian National University Press.