Pacific Geographies

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SPECIAL ISSUE ON NEW POLITICS IN OCEANIA

Conflicts again?
Resource exploitation and political instability in Melanesia

The blood-stained flags of liberty
The struggle for adequate signs of identity in New Caledonia

Cooperation and diplomacy in Oceania
Transformations to the regional system and an increased global presence

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GUEST EDITORIAL

New Politics in Oceania

by Simon Batterbury, University of Melbourne, Australia

Dear readers,

As I have worked in the Pacific over the last decade I have been struck by its diversity of environments, cultures, and political economies, but also the importance of this geography for everyday life chances and livelihoods. In order to understand what happens locally, one has to scale back in time and out to wider orbits and scales, not only to see islands societies as embedded in distant economies through labour movement and kinship relations, but also to appreciate globally generated, but locally expressed, vulnerabilities. These come from altered climate and weather, sea levels and ocean acidity, but also from an adverse colonial and extractivist legacy (Connell and Waddell, 2006).

The articles in this issue of Pacific Geographies examine the scalar geopolitics of the region in several ways. Hasencamp's assessment of Pacific international relations claims the region is one of the "politically most dynamic regions in the world", showing how the machinations of the Pacific Islands Forum (PIF) and its disputes with Fiji have led to unexpected heightening of international diplomatic efforts. The USA and the United Nations are showing renewed interest in the region. As Fiji flexes its political muscle, new partnerships have emerged, some linked with other Pacific nations to the emerging climate justice agenda, and the PIF has become much more interventionist as well. This is an important shift in pan-Pacific political culture.

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In order to uphold scientific standards, the PG is implementing a peer-review process. Articles marked as „scientific papers" have been peer-reviewed by two external reviewers. Articles marked as „research notes" have been peer-reviewed by one external reviewer and a member of the editorial board. All other articles have been reviewed by the editorial board.

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The APSA sees itself as one of the largest scientific networks in Germany for academics and practitioners with an interest in the Asia-Pacific region as well as academic exchange.

COVER PICTURE
John Kerry at Pacific Islands Forum, 2013
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U.S. Secretary of State John Kerry participates in a meeting of the Pacific Islands Forum in New York City on September 27, 2013.

Guest Editorial:
New Politics in Oceania

Simon Batterbury

follow-up from page 3: The three French Pacific territories are a conundrum, and little understood outside the French-speaking world (Batterbury 2014). Infrastructure and services are at a level unavailable to most of the English-speaking island nations, which improves life chances, but with a higher cost of living. France is not decolonising – it doesn't want to lose its marine EEZ, resource rents, or its geopolitical presence and it still provides a flow of Euros. On the other hand, the Melanesian desire for independence, while placated since les événements in New Caledonia in the the 1980s, remains strong. Things are tense because New Caledonia has to organise a referendum soon, and the question of a national flag(s) is symptomatic of this tension. The simmering conflict echoes a troubled colonial past, and the spatial reach extends as far as Paris. It seems a parochial dispute, but it has led to political downfalls and dissent. Peter Lindenmann expertly navigates these political waters.

The "resource curse thesis" has some traction in PNG and New Caledonia, but in different ways. As Holtz and, and Kowasch note, it implies a (low) level of state capacity to capture and regulate the minerals sector. New Caledonia has its share of resource conflicts, and in 2014 these have been at the vast Goro Nickel plant. But the Province Nord's project to create an economic powerhouse distant from Nouméa are unique, since their KNS nickel project has majority Melanesian control through SMSP and the regional government. It is like a turbocharged flag dispute written on the landscape, this one involving billions of Euros, because mining has been enlisted in a struggle for political emancipation that dates back 161 years. KNS may be digging up ancestral land and polluting, and it lacks a universal mandate, but the risk of a 'resource curse' is managed. This contrasts with PNG, potentially much wealthier, where mining has a clearer influence over existing political and customary conflicts and especially those about royalties and land.

To return to my theme; the fate of Pacific communities described in these articles is dependent on much wider spatiality and deeper history, extending beyond the region. The national identity struggle in New Caledonia has its origins in French settlement in 1853, and in proximate dissent over complex governance arrangements and international mining projects. Efforts to scale up Pacific state power in the international arena, by contrast, date to recent ambition and dispute within the region itself. But all these struggles are produced by geography and history. They defy easy resolution. In the articles we learn of four issues to follow closely. These are, the restoration of democratic rule in Fiji; Pacific input into global climate negotiations; the New Caledonia referendum on independence; and the Kanak economic experiment in the Province Nord on Grande Terre. Watch this Pacific space.

I hope you enjoy this issue of Pacific Geographies.

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Connell, J. and E. Waddell (eds.) 2006. Environment, Development and Change in Rural Asia-Pacific: between local and global. London: Routledge.

Conflicts again?
Resource exploitation and political instability in Melanesia

Figure 1: Sign at closed Panguna copper mine in Bougainville

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Abstract: Most of the Melanesian countries are caracterized by political instability. At the same time, they possess enormous deposits of natural resources. The paper analyses the correlation between conflict and resource wealth. The authors explain that social relationships, identities and land are the things that matter in Melanesia. 'Resource wealth' is an amplifying factor, but not the main cause of violent disputes.

The resource-rich countries of Melanesia are mainly characterized by political instability and partly by violent conflict (Holtz 2011). In West Papua, indigenous Papua peoples are still fighting for independence from Indonesia. Papua New Guinea was confronted with violent struggles around the Panguna mine in Bougainville at the end of the 1990s. Fiji experienced several military coups in the last few decades. An international military intervention took place in the Solomon Islands. New Caledonia has a political transition status of 'shared sovereignity', and the majority of the indigenous Kanak peoples still hope to achieve political independence from France.

Several Melanesian islands have abundant natural resources. Papua New Guinea has enormous gold, silver and copper deposits as well as nickel, oil and gas reserves. A similar picture is emerging in neighboring West Papua. Analogous to the independent part of New Guinea island, West Papua is rich in mineral deposits, especially gold. In New Caledonia, the mining sector has a 150 year history; the French overseas territory possesses more than 25% of the world's nickel resources (Kowasch and Lindenmann 2013). The Solomon Islands have gold and bauxite. Fiji exploits gold, and deposits of manganese and copper have been discovered. Vanuatu possesses some gold, copper and manganese desposits, but the reserves are to small to be exploited. All Melanesian territories have large deposits of tropical timber. The importance of the mining sector depends on the demand for minerals on the world market. Copper and gold prices rose by 81% and 51% respectively between 2001 and 2004 (Behrend et al. 2007). Between 2007 and 2014, copper prices have dropped by 16% (see http://www.lme.com/metals/non-ferrous/copper/#tab2), while gold prices continued to rise by 60% (see http://www.lbma.org.uk). Nickel prices at the LME (London Metal Exchange) reached new records in 2007, at over US$50,000 per tonne, although they have now dropped to around 18,000 in April 2014 (see http://www.ime.com/en-gb/metals/non-ferrous/nickel/).
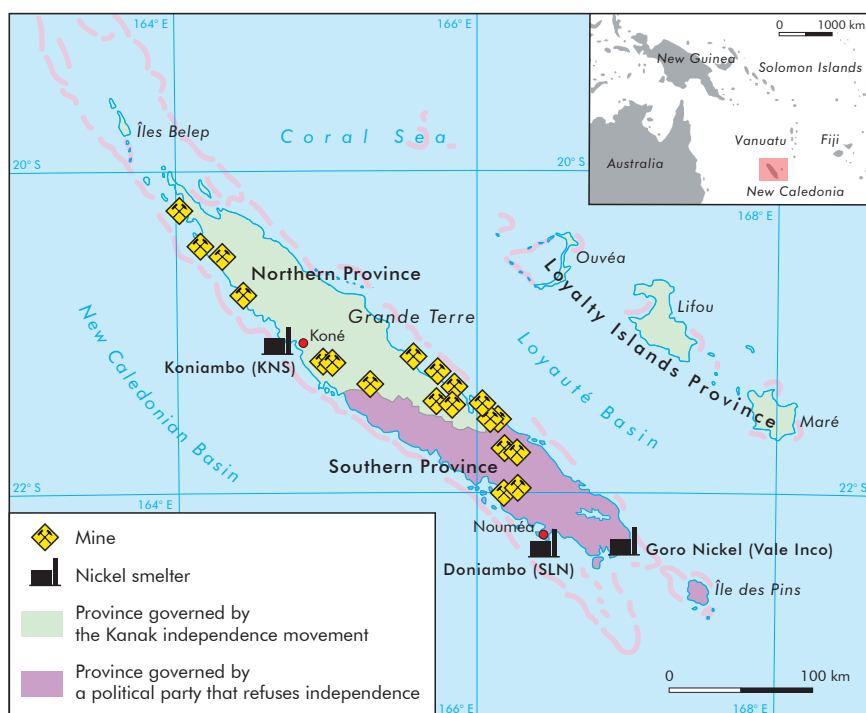
Figure 2: Political division, nickel mines and smelters in New Caledonia

In this paper we will discuss the correlation between resource exploitation and political instability in Melanesian countries and territories. In most cases, resource exploitation offers little immediate benefit for local populations (Auty, 1993; Langton and Longbottom, 2012). We ask if resource wealth compulsorily provides conflicts and political instability? Case studies come from Papua New Guinea and New Caledonia.

Method

The present paper is based on an extensive review of recent articles published in both the international press and social science journals. Discussions and interviews with local actors from the civil society, public authorities und mining companies complete the analysis. Information from scientific collaboration with researchers in Australia and New Zealand represents a substantial contribution to this article.

In the first part of the paper, we will analyse the correlation between resource wealth and political instability. The second chapter describes the economic importance of natural resource exploitation for Melanesian states and territories. Finally, we ask if resource wealth leads to economic development or to a resource curse scenario? We take examples from Papua New Guinea and New Caledonia in order to show how different political situations influence the socio-economic development and how they affect the perceptions and reactions of local people on the mining projects. PNG and NC are obviously good examples as both are the countries with the biggest raw material reserves of the studied area.

Correlation between resource wealth & political instability

The presence of mineral resources and strong external demand, and an above-average dependence on revenues from the extractive sector, are elements of the 'Resource Curse Thesis' (Auty, 1993). The resource curse suggests that states with rich natural resources have lower economic growth than states without. They also tend to political instability, especially against a background of ineffective state institutions, which can lead to violent conflict (Robinson et al. 2006). Langton and Longbottom highlight (2012: 6): "Despite modernity's promise of progress and wealth for all, and the enormous revenue flowing from resource extraction projects to governments, many indigenous and local peoples living in the shadow of those projects are still disadvantaged, marginalized and poor." The wealth of natural resources is sometimes linked to state weaknesses. One reason is uncontrolled rent-seeking. Revenues from the minerals sector flow with a high expectation of profit. This makes the mining sector attractive, without investment in other economic sectors. The focus on the mining sector leads to a large dependency on world market prices for the mineral. Secondly, the distribution of royalties and benefits is often unequal and not transparent. State institutions do not effectively fight against corruption. The uneven distribution of royalties and the lack of participation may give rise to violent conflicts. These conflicts undermine the credibility and the authority of state institutions.

A second concept, the 'Dutch Disease', concerns the revenues from the mining industry that result in an increasing exchange rate of the local currency, and higher wages. With new revenues, cheaper imported products replace local ones. The economic structure alters and traditional sectors decrease or perish. Thus, many locals become marginalized and impoverished. When the mining benefits only benefitting a ruling elite, there are negative consequences for political processes. In such cases, informal interest groups and stakeholders establish themselves. There is a statistical correlation between mineral abundance and corruption, and also weak economies (Clemens and Fuhrmann 2008). Nevertheless, we have to ask if mining resources cause corruption or a major contributing factor? According to Mehlum et al. (2005), a correlation between the weakness of state institutions and resource conflicts exists, especially when the economic development depends largely on the mining sector. Another aspect that demonstrates the weakness of state institutions is the notion of the 'mining company as a shadow state'. The local population considers mining companies as a kind of state compensation, because the company not only acts as an employer, but also provides medical services and maintains order. State administrative institutions can be so weak that they largely withdrawn from their own citizens.

Ecological degradation can be observed in mining areas, and indigenous peoples are often the most affected. Destruction of land, water pollution and deforestation are factors that can cause and amplify conflicts. In Melanesian cultures, clan identity is connected to land. J.-M. Tjibaou, a Kanak independence leader in New Caledonia, said that a clan who loses his land, loses his personality (Tjibaou and Missotte 1976). The social iden-

tity of clans is tied to an itinerary, a series of places that the clan passed through. Land legitimacy comes from the clan itinerary. That's why land degradation directly affects the social identity of individuals, and is highly conflictual. All mining projects have environmental impacts. Taking the example of gold and copper extraction at Ertsberg/Grasberg in West Papua, where up to 238,000 metric tons of toxic tailings were transported each day over the rivers of Aghawagon and Otomona into the Ajkwa River and discharged into the Arafura Sea. Since 1999 the Lorentz National Park, a UNESCO World Heritage Site, has been established in the vicinity of the mine (Mückler 2013).

Natural resources and their economic importance

Mineral exploitation has great importance for state budgets and economic development in Melanesian countries. Thus, the export of natural resources in PNG represents, according to the United States Geological Survey National Center (http://www.usgs.gov), around a quarter of GDP and four-fifths of exports. Alongside the public sector, the mineral industry is one of the biggest employers in PNG. It must be noted that the mining projects also provide, outside mining activities, employment in construction of related infrastructure and food and servives for the mine workers. In the 1970s and 1980s, the Panguna mine on Bougainville island was the most important source of revenue for the PNG government. The project generated 44% of export value and 17% of government earnings (Regan 1999). The Panguna mine closed in 1989 after violent conflicts between the Bougainville Revolutionary Army (BRA) fighing for political independence and the Papua New Guinea Defence Force
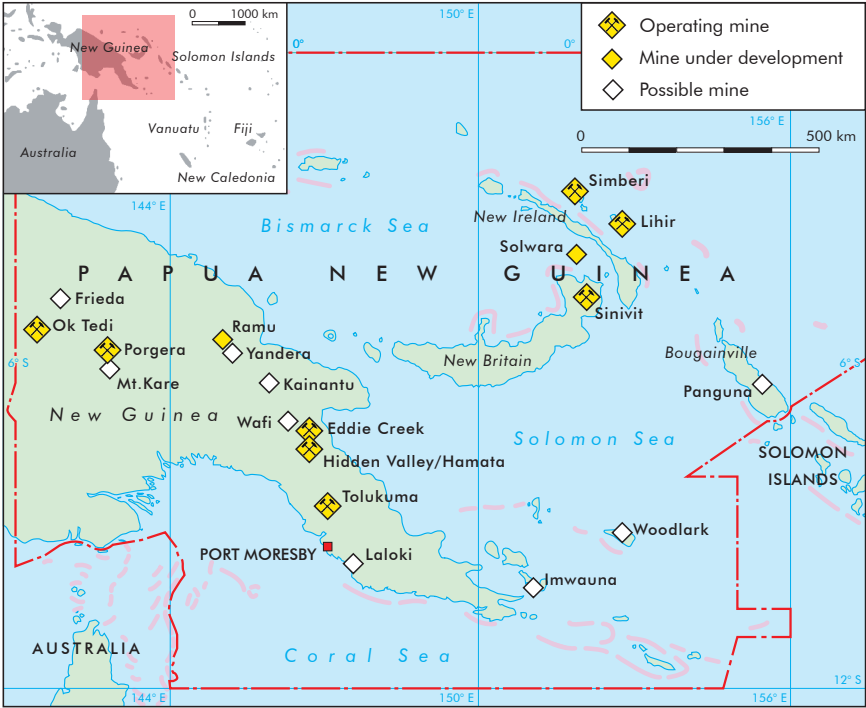

Figure 3: Existing and potential mines in Papua New Guinea

(PNGDF). Large scale mining projects in PNG now include Ok Tedi (copper and gold), Porgera (gold), Hidden Valley/Hamata (silver and gold), Simberi (silver and gold) and Lihir (gold). Smaller projects are Tolukuma, Sinivit and Edie Creek (Figure 3). Other projects are in the planning stage: Ramu Nickel and the deep sea project Solwara, where copper and gold can be exploited on the seabed in 1,600 m of water (Imbun, 2013). The operating companies, the US-American Exxon Mobil (33% shareholder) and Australian Oil Search (29% shareholder), are planning to exploit 6.06 million m3 of natural gas per year starting in 2014. The total investment is US$14.2 billion, equivalent to PNG's current GDP (15.6 billion US-$ in 2012, see http://www.worldbank.org/en/country/png). The PNG government has a 17% interest and the project is due to complete in early 2014 (see http://

news.smh.com.au). Around 1,200 people are expected to be employed in the operating phase after employment peaked at 23,000 during construction.

Similary to PNG, the Western part of New Guinea island possesses enormous natural resources. In 1936 the Dutch geologist Jean Jacques Dozy discovered rich copper and gold deposits. In 1967, the U.S. company Freeport Sulphur based in New Orleans (today in Phoenix) got a contract copper mining in West Papua with few restrictions. Freeport McMoRan Copper & Gold Inc's subsidiary PT Freeport Indonesia operates the largest gold mine and the most cost-effective producing copper mine in the world, with Ertsberg and later Grasberg (Mückler, 2013). The Indonesian government holds 9.36% of the shares in PT Freeport Indonesia (Nakagawa, 2008). The company became one of the biggest employers, and the most important foreign investor and taxpayer in Indonesia. According to Couasnon et al. (2013: 9), the mine contributes to 1-2% of the Indonesian GDP and generated US$1 billion of benefit in 2009. In addition to gold and copper, West Papua has oil and natural gas deposits as well as shrinking timber reserves.

In New Caledonia, nickel deposits were discovered by the French engineer Jules Garnier in 1864, and the French colonial administration rapidly began exploitation. Today, nickel is

Agriculture, hunting, fishing, forestry industry	1,5
Nickel industry	7,0
Other industries	5,8
Construction industry	11,7
Trade	13,0
Energy sector	1,5
Services	41,0
Administration	18,5
Total in %	100,0

Data source: ISEE, 2013.

Figure 4: Division by sector of surplus value 2008 (in %) in New Caledonia 2012

used inter alia in the manufacture of stainless steel and in the aerospace industry. The nickel sector is the economic engine of New Caledonia, because nickel products represent 93% of the total export value. Several other economic sectors depend on the mining industry (eg. engineering, transport and energy production). The nickel industry dominates the economic development, and represents in 2008 7% of the surplus value (Figure 3). Until 2010, a single nickel smelter could process the nickel ores in New Caledonia. Due to persistently high nickel prices on the world market, two new smelters were built in the last decade: Goro Nickel in the Southern Province and Koniambo in the Northern Province. While the Goro Nickel project operated by the Brazilian group Vale was completed in 2010, the first nickel smelting in the "factory of the North", operated by KNS (Koniambo Nickel SAS), was realized in April 2013.

Compared to other Melanesian countries, the tertiary sector plays a more important role in New Caledonia. Only 13% of the active population work in the mining industry, compared to 47% in services and 28% in the public sector (ISEE 2013). In comparison, 85% of the active population in Papua New Guinea engage in farming of different types (https://www.cia.gov).

Besides nickel, cobalt has been extracted on main island, "Grande Terre". For example the Goro Nickel project provides almost 60,000 t of nickel and 4,500 t of cobalt per year. In addition, hydrates of natural gas have been located offshore inside the exclusive economic zone (EEZ) controlled by the New Caledonian government since the transfer of political competences from France to New Caledonia started in 1998. But the quantities remain unkown, and industrial extraction is still uncertain. Until the offshore exploitation of natural gas, the nickel sector continues to dominate the Caledonian economy. A diversification of the economy – deemed necessary by economists and politicians to reduce reliance on a single commodity vulnerable to price shocks – has not been taken place. Tourism, for example, has stagnated for decades, compared to neighbours Fiji and Vanuatu and only reaches around 100,000 visitors per year. The fishing industry lacks cold storage rooms.

In the other Melanesian states, the extraction of mineral resources is minor. Vanuatu's economy is based on tourism and financial services, while Fiji is more diversified. Endowed with forest, mineral and fishing resources, Fiji is one of the most developed countries in the Pacific Islands region, although it remains a developing state. It has a dynamic tourism sector, with over 400,000 visitors per year. But Fiji's economic development has suffered from four coups over the last two decades. Due to the violent conflict in the Solomon Islands (Holtz, 2008), the extraction of mineral resources there has remained at a low level. Significant for the Solomon's economic development is the forestry sector. Forestry products are Solomon Islands' main export, with the logging industry accounting for around 46% of export earnings and 14% of government revenue (http://www.mfat.govt.nz). Nevertheless, the government of the Solomon Islands is unable to prevent the illegal felling of forests, and they are dangerously overexploited.

Resource curse or sustainable development?

Access and exploitation of natural resources are important issues for Pacific islanders, because social identity is linked to land, and on the islands there are significant spatial constraints.

Papua New Guinea is a good place to examine the resource curse thesis. The traditional leader in PNG's clan structure is the so-called 'Big Man' who acts for the prosperity of his group, to whom they owe their loyalty. We have to analyse the apparent opposition between state institutions and 'big men'-structures, which prevail in the majority of situations in the country. 'Big men' maintain dependences and loyalties with other clans. The function of 'big men' is not inherited but obtained by personal performance and skills (Godelier and Strathern, 1991). They are under constant pressure to prove their performance and standing. 'Big men' use their position to act as interlocutors in administration and the economy. The permanent rivalry between 'big men' aspirants leads to a social climate "riddled by fear, jealousy and suspicion" (Filer and Sekhran, 1998: 122). The relationship between the 'big man', his group and other groups is based on give and take. The emotional connection to

Figure 5: Goro Nickel smelter in the South of New Caledonia
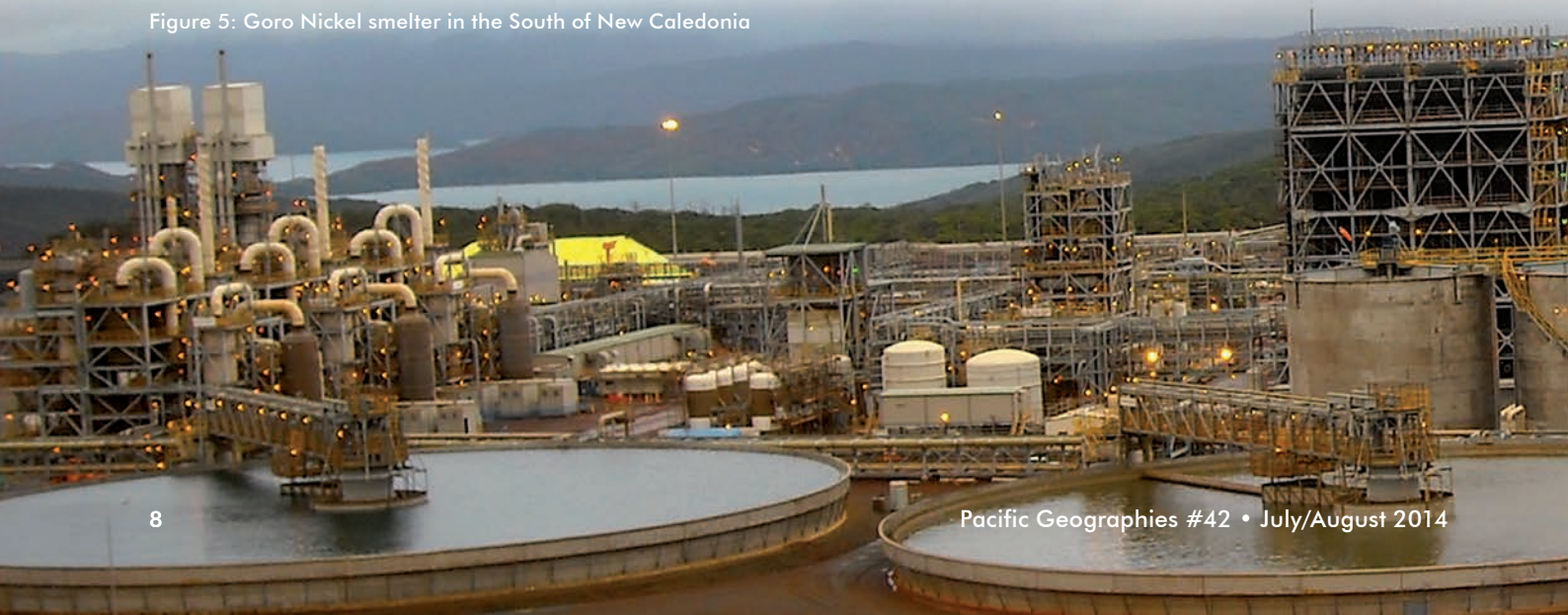
the group is stronger than to the state, which is perceived as something 'abstract'. State representatives (in district or provincial government) are seen as potential rivals or challengers. That's why they often experience rejection, and the institutions they represent become weaker. In several cases, 'big men' became parlamentarians themselves, and the position of parlamentarian allows to freely dispose of a certain amount of funds (May 1997). So, 'big men'-structures often lead to an uneven distribution of mining benefits and to social conflicts.

New revenues and royalties from mining projects can awake and exacerbate these conflicts. In the case of the Porgera gold mine, Banks explains that 65-75% of the compensation payments to the local Pogeran community between 1987 and 1994 had been consumed directly, redistributed and consumed, or redistributed outside Porgera, in a "highly visible way" (1996: 224, 231). Nevertheless, it is not the mining industry that causes the conflicts; financial benfits are 'only' an amplifying factor. In the case of the Bougainville conflict, Regan (1999) suggests that "…the mine was a catalyst for the conflict rather than the direct cause". Bougainvilleans feel culturally closer to the northern Solomon Islands Isabel and Choiseul than to the state of PNG. In 1899, the German colonial empire ceded Isabel and Choiseul to the British Empire in order to resolve another territorial conflict, in Samoa. In the meantime, Bougainville remained with German New Guinea. In 1975, Bougainville declared its political independence, but the "Republic of the North Solomons" existed only for one year. Since, the relation between Bougainvilleans and mainland Papuans is distant. The Bougainville history shows that mining resources are a conflict accelerator in PNG, but the political structure itself creates significant instability as different cultural structures clash.

In New Caledonia, state institutions are much stronger, and they are, in part, appropriated by indigenous leaders. The Kanak independence movement also uses the nickel sector as an instrument for economic and political emancipation from France (Kowasch 2009). The shareholders of the Koniambo project are the local SMSP ("Société Minière du Sud Pacifique", 51%) and the Swiss company Xstrata (49%), working in a joint venture ("KNS") which operates the project. The SMSP is owned by SOFINOR ("Société de financement et d'investissement de la province Nord"), a public provincial company of the Kanak dominated Northern Province that invests in tourism, aquaculture and mining. It uses benefits from mining to support other economic sectors. The Northern Province refuses royalties to traditional landowners, because they want to be 'masters of the exploitation of natural resources'. They encourage local peoples to participate in the project, through direct employment or subcontracting. Lots of small companies were founded with the support of KNS. Most of these firms work in earth works or material or personal transport, and have only one or two employees. But even if the mining operator makes efforts to privilege local workforce and subcontractors, the distribution of benefits from mining is unequal. These distributional conflicts are interwoven with land conflicts resulting from the colonial period. Common and customary land is interspersed, and economic projects (such as new commercial premises) on customary land can provoke disputes between the different actors. Land reform started in 1978 in New Caledonia, with the goal of rebalancing the land repartition between indigenous and allochthonous peoples. The main goal was the acquisition of private land and its redistribution to Kanak clans.

In New Caledonia, big men-structures do not exist, the traditional chief has more an organizing role that a hierarchical higher position within the clan community. But with the implication in the mining sector, customary representatives – particularly village chiefs – become entrepreneurs. They accumulate power and prestige by taking several positions (entrepreneur, deputy in the local parliament and customary chief for example). We assist to a phenomenon that the New Caledonian people call "avoir plusieurs cascades" (having several caps). If benefits are not equally shared, more power or prestige for one competitive actor decreases automatically the power of another actor (Kowasch, Batterbury and Neumann, 2014). Conflicts due to unequal distribution emerge in Kanak villages in the neighbourhood of the Koniambo project in northern New Caledonia, for example in Oundjo only

Picture source: Glenn Banks, 2007.

Figure 6: Porgera mine pit, PNG

two kilometres away from new smelter, but resistance and environmental impacts are countered by the argument that the project serves as an instrument for independence struggle and political emancipation from France, in short "for the good cause".

Conclusion

In summary, the resource curse and human conflict are broadly linked, but resource conflicts are generally more complex and there is no direct correlation in New Caledonia or PNG. All conflicts have their own history, and resource exploitation and uneven distribution of benefits are only 'amplifying' factors. Banks suggests that "Social relationship, identities and land are the things that matter in Melanesia, and to believe that conflicts of any kind, even 'resource' conflicts, can be primarily about anything else is an illusion" (2008: 31). Nevertheless, natural resource exploitation can awake longstanding customary conflicts. In this case, the resource curse causes aggravates conflict. Solidarity within clan structures, and nepotism, do not strengthen state institutions or encourage broader economic development.

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Figure 1: The Kanak flag & the tricolour fly side by side at the Pacific Games in Nouméa 2011

Source: Peter Lindenmann, 2011.

The blood-stained flags of liberty
The struggle for adequate signs of national identity in New Caledonia

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Abstract: The Nouméa treaty of 1998 that created the framework for the transition of New Caledonia from a French overseas territory towards emancipation provided also for the creation of new identity markers. Lacking a shared understanding of history and a common vision for the future, the process of adopting a flag was blocked for more than ten years. As an intermediate solution the flag of the Kanak independence movement is hoisted side by side to the French tricolour since 2010. While some loyalist parties continue to campaign for a common flag, pro-independence parties are waiting to descend the tricolour, and others would favor the status quo. The unresolved question of the right symbol is also a reflection of the uncertain political future as the referendum on independence looms.

"As president of the provisional government of Kanaky I salute to the national emblem and I declare constituted the provisional government of the Republic of Kanaky. Long live Kanaky!" (Jean-Marie Tjibaou, 1/12/1984)

When I came to New Caledonia in 2004 to conduct fieldwork in the frame of my thesis project, four flagpoles were standing in front of the seat of the New Caledonian government behind the Port Moselle marina. But only three flags where flying in the Pacific breeze. Two similar ones, both joining a *"fleche faitière"*, the traditional rooftop sign of Kanak chiefs, with the outline of territorial boundaries represented the Northern and the Island provinces, which were both ruled by pro-independence Kanak nationalists. The flag of the Southern Province, a loyalist fief, differs. It depicts a sailboat surfing on a wave with the sail in the colors of the French tricolour. The fourth flagpole was standing empty at that time. It had been erected to display the future flag of New Caledonia that the Nouméa treaty of 1998 provided for. The Nouméa treaty (*"Accord de Nouméa"*) was signed in 1998 between the supporters of independence, the loyalists and the French state. The treaty regulates the ongoing period of transition between the former status of New Caledonia as a French overseas territory and the future status of New Caledonia.

Unlike other Pacific territories, New Caledonia had been a settler colony. People who are descendants from immigrants or are immigrants themselves make up the majority of the population today. The original inhabitants, the Kanaks, became a minority in their own country, lost their best lands, were only accepted as (French) citizens after almost a hundred years of colonization, remained economically and politically marginalized for a long time and still do not have an equal shares of the current prosperity. Immigration from other French Pacific territories led to large communities of Wallisians, Futunians, Tahitians and Ni-Vanuatu competing for the same unqualified jobs, cheap housing and social welfare. The "white" settler community is also not uniform. Some are descendants from convicts deported from France in the 19th century or from rebels against French colonial rule in North Africa, others have their origin as free settlers, military personnel, miners or came as teachers and bureaucrats in more recent times. New Caledonians do not share a common history but have different interpretations of the past. This has been a major obstacle in the search for common signs of identity during the recent period of emancipation. The issue of (national) identity is furthermore closely connected to the looming referendum on independence that will be held in the period between 2014 and 2018. Lacking an agreement on common symbols means also the absence of a shared vision for the political future of this South Pacific archipelago. The following article draws on regular fieldwork in New Caledonia between 2004 and 2011 to depict the most recent episode of the struggle for a flag in the country, to situate it in history and theory, and to show its implication in the political situation.

Colonization and the struggle for independence

New Caledonia has been under French sovereignty since the 24th September 1853, and became an overseas territory in the aftermath of WWII. Only then the indigenous Kanak people were recognized as French citizens. But only in 1957 all Kanak were allowed to vote (Leblic 2003). New Caledonia had a local elective body since 1885, which competences were expanded over the years. The *Loi cadre*, introduced in 1956 in all French overseas territories, established a local government that had large competences, such as health, primary and secondary schooling and mining. But under President De Gaulle many of these competences were taken back by the French government (Devaux 1997). Even the local municipalities where transformed into French communes putting them in charge of the French Ministry of the Interior.

This colonial backlash accompanied by an immigration wave led to political radicalization. Between 1968 and 1980 when many other Pacific overseas territories gained their independence, the autonomist party UC (*Caledonian Union*) was joined to the left by several parties favoring independence for New Caledonia (Mohammed-Gaillard 2003). In 1977 the UC changed its leadership and declared itself in favor of independence. On the other side, the loyalist mining tycoon Jacques Lafleur also formed his RPCR (*Rally for Caledonia in the Republic*) in 1977 (Leblic 2003). In 1978, the pro-independence parties joined forces and established the FI (*Independence Front*). The struggle then turned violent, and a series of incidents brought New Caledonia to the brink of civil war. In 1983 a first peace agreement failed and in between the proclamation of a new statutory law and the territorial elections of November 1984, the FI was transformed into the more radical FLNKS (*Kanak and Socialist National Liberation Front*). In this time the *"drapeau Kanaky"* as the future flag of the independent state of Kanaky was created. It became a potent symbol for the struggle for independence and was hoisted during the following violent events as an antithesis to the French tricolour. In 1988 a first political agreement (*"Accord de Matignon"*) brought peace to the streets and delayed the consultation on the question of independence for 10 ye-

ars, a period earmarked for more economic development (Mohamed-Gaillard 2003). By decentralizing political competences to three provinces, two of them ruled by pro-independence parties, activists got jobs and converted into bureaucrats. In the Northern Province, the Kanak flag was hoisted beside the tricolour in front of public buildings on a regular basis. When the vote on independence approached, after a decade, a new treaty was signed by the dominant blocs, the FLNKS and the RPCR after the ten years delay: the *"Accord de Nouméa"*. Instead of a referendum producing only losers, the new treaty again postponed the question of independence and provided the possibility to create common identity symbols for New Caledonia, a territory now characterized by shared sovereignty and on its way to emancipation (Kowasch and Lindenmann 2014).

The right flag for New Caledonia

Today, the question of the appropriate flag to represent New Caledonia is still a hot topic. The Nouméa treaty of 1998 provided for the definition of new markers of identity: a flag, the name of the country, an anthem, specially designed banknotes, and a slogan. Even though Tahiti, also under French sovereignty, has had its own flag for more than thirty years, in New Caledonia there seemed to be no space for political symbols between the French tricolour that loyalists still reclaim as theirs, and the *drapeau Kanaky* that the pro-independence umbrella party FLNKS had chosen to represent the future Kanak republic. Political symbols are part of rituals, within the manipulation of political myths they may serve to create continuity and perpetuate the status quo or to attack and topple it. Rituals also create legitimacy. Such rituals furthermore also create legitimacy (Kertzer 1992). The use of political symbols in rituals such as the hoisting of a flag is an important feature of national identity. For Jurt (1998: 37) citing Erikson (1966) identity is realized when persons can match the structures of their own experiences with their personal perception and social role. National identity is always connected to the past, to history, tradition and origin in order to legitimize the social norms of the present. The construction of a common past is

thus of a tremendous importance for the constitution of a modern nation. In that sense each form of social organization that is reproduced via institutions, such as a state, is founded on the myth that individual lives are lived as part of a collective history (Jurt 1998). But this can only work if the different groups within a society can agree on such a collective history and this is, as the French philosopher Ernest Renan formulated it in 1882, voted for in everyday life (http://www.bmlisieux.com/archives/nation04.htm, accessed: 4/6/2014). As a political anthropologist, I'm interested in signs and symbols that convey identity within the public sphere. Why are they established, why do some disappear, while others seem to remain eternally. Why do identity markers lead to disputes, or are destroyed, stolen or disfigured? What meaning do they convey? How is identity created out of political symbols, and how do signs of identity become political objects? I primarily study visible, presented symbols, and how they structure a space and create a tissue of political allegiance, historical preferences, and an administrative order. The evolution of the quest for the right flag in New Caledonia provides an interesting example for discussing these questions. Soon after the conclusion of the Nouméa treaty, the website atlasgeo.net hosted a page that collected designs for a future common flag. During the 2004 provincial elections the party *"Calédonie mon pays"* campaigned with a flyer showing different possible designs for new flags (see signes-identitaires-nc.com). In 2007 a committee was appointed by Déwé Gorodey, the responsible minister within the New Caledonian government to search for identity markers (Maclellan 2010). The committee decided to concentrate on the less controversial slogan, anthem and design of bank notes and to postpone the search for a flag and the name of the country. Despite the Nouméa treaty giving a clear mission to search for common symbols and noting that a few efforts had been undertaken (article 1.5), the flagpole for the national flag was still empty ten years after the signing of the treaty. There are some symbols that stand for the whole country. One is the Cagou, an endemic flightless bird. It is used by the postal service for example. The New Caledonian soccer team has worn a red and silver kit

(the color of the Cagou) for many years. The government of New Caledonia uses a design comprising a nautilus shell, a *flèche faîtière* (rooftop sign), and a Cook pine (*Araucaria columnaris*) colored in light blue, orange and white (a moderated version of the tricolour) as its coat of arms. Monuments, architecture and buildings are also part of the Caledonian symbolism. The Tjibaou Cultural Center (Bensa 2000), built between 1993 and 1998, symbolizes traditional Kanak houses with modern elements and materials. Older administrative buildings convey a colonial style, in classic or more modern form depending on their age. The administrative buildings in the Loyalty Islands Province stand out with their pyramidal roofs. They convey a strong political message as they reproduce the style of a chief's house in modern form. The Southern Province shows little tricolours on the right and left side of entrances to its buildings. New Caledonia has a large number of monuments. The collection ranges from war memorials to statues of former governors. The "Mwâ Kââ"-sculpture (see figure 2) was supposed to serve as a visual symbol for the shared destiny of all New Caledonians, but is at the heart of a large dispute when the ruling majority proceeded along an "out of the eyes, out of memory" argument. Indeed, the sculpture was erected in a peripheral parking lot instead of in the main city square (Mclellan 2005). Another dispute example is theft of the *"Poilu"* (a New Caledonian soldier) from the war monument in Koné, the capital of the Kanak-dominated Northern Province, and its replacement by the carved statue of a Kanak warrior (LNC, 6 May, 2010). The question of the 'right' signs and symbols is important in New Caledonia, given its transitional governance status. As the American political anthropologist David I. Kertzer (1992) demonstrates using the example of the American flag and with reference to Durkheim's work, the 'Nation' is not tangible. It can thus only be represented by symbols such as a flag that becomes a cult symbol. Any threat to the symbol is transformed into an attack on citizen identity. People who disagree with a flag and who don't respect them are thus treated as heretics and not as political dissidents. Revolutionaries and the establishment can both be attached to rituals and symbols

(Kertzer 1992). This may explain the ferocity of the struggle for the 'right' flag for New Caledonia.

New developments

To the surprise of many, the issue of flag came up rapidly again after the 2009 provincial elections. Pierre Frogier, a long-time confident of the loyalist leader Jacques Lafleur, became president of the Southern Province. In the context of a political initiative

he proposed desisting from the quest for a common flag (Chappell 2011). He suggested that the *drapeau Kanaky*, the flag of the pro-independence movement, should fly together with the French tricolour in front of official buildings, at least until the political blockade in the search for a common flag was resolved (Maclellan 2010). The proposition was at first perceived as a mere political ploy by the competing loyalist parties, and the pro-inde-

Figure 2: The Mwâ Kââ sculpture in Nouméa

Source: Arndt Meyer, 2007.

pendence faction perceived the idea as a ruse to assure their compliance. But in June 2010, the proposition was well received by the conservative French Prime Minister François Fillon. He also had in mind the Pacific Games that were scheduled to take place in New Caledonia in 2011. To fly the *drapeau Kanaky* beside the tricolour would avoid the embarrassing situation of receiving the Pacific Island states beneath the French flag, which would have exposed France to an accusation of failing its decolonization process. President Nicolas Sarkozy lent support, and emphasized that the hoisting of the Kanak flag was only a provisional intermediate step in the process. The final aim remained the creation of a common flag that would represent all elements of the New Caledonian population.

One month later, Fillon was expected to visit New Caledonia. His arrival was scheduled for the 19th of July. Just a day earlier, the *Congrès*, the territorial parliament, voted on a proposition to hoist the two flags. The proposition was supported by the *Rassemblement-UMP* (formerly RPCR), the party of Pierre Frogier, as well as by the pro-independence parties. It was opposed by *Calédonie ensemble*, another loyalist party led by Philippe Gomès, then President of the government of New Caledonia (LNC, 14/7/2010). When the Prime Minister arrived the next day, a new flagpole had been erected in the garden of the residence of the French High Commissioner in downtown Nouméa. During the ceremony, Julien Boinemoa, the president of the customary senate presented the *drapeau Kanaky* to the Prime Minister. Boinemoa explained in his speech that the *drapeau Kanaky* would fly as an equal sign of identity beside the French tricolour, and he did not mention the provisional nature of the solution.

Questions remain

After François Fillon hoisted the *drapeau Kanaky*, all public institutions had to decide if and when they would follow the example and raise the Kanak flag on their buildings. Among the New Caledonian population, the flag question was widely discussed, and feelings were divided. Most Kanaks, even those who did not sympathize with the pro-independence front, did agree with the hoisting of the flag. They perceived the official flying as a final and

long awaited recognition of Kanak identity by the French state. The older ones who remembered independence declarations in neighboring Pacific Island states felt that the ceremony had not been correct: *"It's the first time that we have seen a flag raising without another one pulled it down"*. The Kanaks in the Northern Province wondered about the fuss that people in the South made about the Kanak flag. In the North, governed by the PALIKA (Kanak Liberation Party), it's common since a long time that the two flags have flown side by side (Kanak 2010).

Most European descendants, and Tahitians, Wallisians and other opponents of independence could not identify with the Kanak flag, and vehemently opposed it. The arguments turned around the same topics, in the newspapers and on the streets. The flag is not the flag of the Kanaks but of a political movement, it would not represent all Kanaks but only the pro-independence advocates, and the flag is soiled by the blood of the victims during the violent struggles in the 1980s. Those who refused the *drapeau Kanaky* were reminded by others that their beloved tricolour had also seen a fair amount of blood spilled.

The role of Pierre Frogier, the loyalist who had come up with the idea, was also debated. *"His legitimacy depends on it"*, a Kanak colleague told me. The successor of Lafleur would only have a political future if the two historical blocs, the supporters of independence and the loyalists, remained in place and were divided by the fault-line of the independence question. The current situation was dangerous for Frogier, with multiple divisions within both blocs, including autonomist or even nationalist tendencies among some loyalist leaders and cross-cutting alliances. A colleague concluded that Frogier supported the hoisting of the drapeau Kanaky beside the French tricolour because it created a strong symbol to the two blocs, and thus legitimized his pro-independence opponents, as well as himself. She reported that her Kanak friends identified even less with the tricolour than her European friends did with the Kanak flag. *"They don't feel French"*. On the other side, European descendants would feel less and less French and would try to create a new identity for themselves. But, nevertheless, they felt deceived by Frogier.

Political complications

After the residence of the High Commissioner flew the *drapeau Kanaky*, people wondered if all other institutions would follow. According to the newspaper, François Fillon's decision was only valid for the offices of the French central state administration and not for local institutions (LNC, 19 July, 2010:3). The wishes of the local parliament had no judicial value. But after a few days hesitation, the other institutions followed. First the government of New Caledonia, which now flew three flags on its roof, the tricolour, the European Union flag and the Kanak flag. The mayor's office on Ouvéa island declared that they would hoist the tricolour to join the *drapeau Kanaky* for the first time in 30 years (LNC, 28/7/2010). The Southern Province followed a few days later (LNC, 7/8/2010), as did the *"Congrès"*, the local parliament, and finally the municipal buildings in the vicinity of the capital were also adorned with the flag of the independence movement (LNC, 9/8/2010). There remained the Nouméa town hall. Finally Jean Lèques, the mayor of the capital and a loyalist stalwart, had to give in. He agreed to hoist the flag but avoided the ceremony, forcing his deputy, Gael Yanno, to represent him (LNC, 10/8/2010). Yanno has since lost the elections for one of the two New Caledonia seats in the French parliament, and has also lost the vote to succeed Lèques as mayor of Nouméa. After Nouméa, the other municipalities also hoisted the flag, with the exceptions of La Foa, and Bourail. Both municipalities were governed by *Calédonie ensemble*, the loyalist party of Philippe Gomès. The municipal council of Bourail asked Pierre Frogier, then President of the Southern Province, to come to Bourail to explain to the people in this rural town the reason for having two flags (Les Infos, 3/9/2010).

Almost four years later, the situation has changed little. The local parliament reinstalled a commission charged with the search for a common flag at the end of 2012 (LNC, 28/12/2012). Even by late 2012, the chances of its success where estimated as being slim. Its mandate is now passed, with the local elections that were held on the 11th of May 2014. On this date the parliament was elected that will organize the forthcoming referenda on the question of independence.

Conclusion

The question of the right flag is still undecided. For most Kanak the answer is clear, the President of the Northern Province expressed it quite early in the debate: *"I do not want a dirty trick, now that our flag was officially hoisted, we must have the courage to say that this will be the sign of identity and it will not fall"* (Les Infos, 23/7/2010). In other words, the *drapeau Kanaky* is not coming down again. For them, the only question remaining is when the tricolour will finally descend, and be folded to the sound of a marching band, and handed over to the last High Commissioner who will then climb board a ship or a jet and head home, thus following the script written by other independent countries, such as Fiji in 1970, Solomon Islands in 1978, or Vanuatu in 1980.

On the other hand the loyalists are divided, the followers of Philippe Gomès still campaign for a common flag. A proposition combining the coat of arms used by the government with the dark red and silver colors used at sporting competitions and by the local Olympic committee is promoted by them (drapeau.commun.nc). Gomès has tied his political destiny to the question of the flag. He risked and lost his position as New Caledonian President in 2011. But it helped him to secure both of the New Caledonian seats in the French National Assembly for *Calédonie ensemble*, his party in the national elections of 2012. In spring 2014, Sonia Lagarde, his second in command in *Calédonie ensemble*, managed to wrestle the municipality of Nouméa from the competing loyalist parties. The party also did poll well in the recent provincial elections. The divisions within the loyalist camp however run deep.

As each side has constructed the flag to which it adheres as an identity symbol, they threaten their opponents, be it the supporters of the Kanak flag or the tricolour. The ferocity of the fight, theft of flags, downfall of governments, and accusations of all kinds are partly explained by the strength of attachments. What complicates the story it that those who argue with a shared history and a common destiny actually promote two flags flying side by side, while those who promote a common flag are currently furthering the division between settlers and original inhabitants. Supporters of the common flag would not trade in the tricolour and the Kanak flag for the new flag of New Caledonia. They would only be willing to replace the Kanak flag with their new design and keep the tricolour flying as the sign of the sovereign power. That would be unacceptable to the pro-independence parties. New Caledonia is therefore far from an agreement on a common perception of history, from a shared decision on appropriate political symbols, and from a shared vision about a possible way ahead, after this period of transition.

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Figure 3: A variation on the theme of identity on the walls of the Maison commune in Pothé, Bourail

Source: P. Lindenmann, 2011.

Cooperation & diplomacy in Oceania:
Transformations to the regional system and increased global presence

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Abstract: Oceania's political institutions as well as the Pacific Island Countries international activities are changing. Especially Fiji's suspension from the Pacific Islands Forum created impediments towards greater regional coopera-tion within this most eminent regional organization, while sub-regionalism and alternative ways of collaboration were strengthened. At the same time Oceania is receiving renewed global attention. The Pacific Island Countries become increasingly active and visible in international diplomacy. Headed by Fiji they challenge traditional allian-ces and perceptions and start to take greater responsibility in international organizations such as the United Na-tions.

One can argue that Oceania is currently one of the politically most dynamic regions in the world. This is not because of radical changes in the domestic politics of Pacific Islands Countries (PICs), but because of fundamentally altering patterns of cooperation, institutional activities and diplo-macy by the PICs. On the regional level, there have been some extensive reforms to the structure and culture of regional collaboration in recent years. As a result of several regional events and of the dissatisfaction with the institutional reforms for some years now a lingering reversal of the regional acceptance of the main constructors of these reforms, namely Australia and New Zea-land, can be observed. Furthermore, there are indications of sub-regional fragmentation and a challenging of the most eminent regional decision-making body in Oceania, the Pacific Islands Forum (PIF). At the same time, Pacific activity in international diplomacy has reached a level that was unknown to the region before and poses new opportunities, but also challenges for the re-gion. Many of these transformations have been pushed by Fiji, which is not only a regional lea-der, but also strongly intertwined with the recent regional dynamics. Its suspension from the PIF and boost in global activities has greatly affected the regional institutional dynamics as well as the patterns of Pacific activity in international organizations like the United Nations (UN), which will be discussed in this article.

Figure 1: United Nations Secretary General during his visit to Kiribati in 2011

Source: UN Photo/Eskinder Debebe, 2011.

Changing regional patterns

Looking back in history, the most important transformation to the system of regional cooperation in the Pacific was the establishment of the South Pacific Forum (SPF), which was founded in 1971 and renamed the Pacific Islands Forum (PIF) in 2000. Its creation was an expression of the recently acquired political sovereignty of some PICs. It was also an act of protest against the South Pacific Commission (SPC), which was already founded in 1947 by the former colonial powers. The SPC was accused of being a colonial construct that denied the newly independent countries of Oceania the right to talk about political issues such as French nuclear testing in the Pacific region (Australian Department of Foreign Affairs and Trade, 2004; Neemia, 1986). Consequently, the PIF can be considered as an integral symbol of the region's political independence. Today, more than 40 years after its establishment, the Forum has changed significantly. Not only has its membership increased, but also its structure, decision-making processes and basic norms were subject to many changes. Originally, decision-making in the Forum was based on the so-called Pacific Way, whose characteristics have been specified as consensus, solidarity, Pacific brotherhood, the rejection of colonialism and the upholding of traditional Pacific customs (Crocombe, 1976). Michael Haas called the Pacific Way a *"norm of diplomacy"* that is based on unity, a sense of cultural affinity, equal treatment and informal incrementalism (Haas, 1989). As a result of some of these principles, many critics regarded the PIF, as Eric Shibuya writes, *"as an example of unrealized potential, of an organization of endless (and useless) discussion, where talk has replaced action as the measure of effectiveness"* (Shibuya, 2004).

There have been structural reforms in the last decade that considerably altered the informal character of the PIF and strengthened its secretariat (Blatt, 2011). The organization shifted from reaching harmony *"by avoiding [to talk about] contentious issues within countries"* (Crocombe, 2008) towards a more proactive approach and an agenda dominated by security policy issues. It can be argued that the reforms initially empowered the PIF and especially positively influenced the international activities of the secretariat as well as the organization's global visi-

bility. Not only did UN Secretary-General Ban Ki-moon participate in the 40th anniversary meeting of the PIF in Auckland in 2011, but the annual high-level Forum summits and the so-called Post-Forum Dialogues in the last years were also attended by high-ranking officials from extra-regional states, including e.g. US Secretaries of State Hillary Clinton and John Kerry as well as the President of the European Commission, José Manuel Barroso. The attractiveness of the Forum to foreign actors is increased by the fact that it is easier and far more cost-effective to approach the entire region via the PIF than to engage in many different bilateral relations with its members.

Despite the emphasis that is put on the PIF by external actors, it seems that this is not always matched in the Pacific itself. There is disappointment with some of the Forum's decisions within some islands governments. Furthermore, PICs' leaders are particularly displeased with Australia's and New Zealand's stance within the organization, especially in regard to their reluctance towards stronger actions against climate change (Barnett/Campbell, 2010) and their position in free trade negotiations (Jayaraman, 2013). However, one important reason for the disappointment also lies in the fact that the above-mentioned reforms not only strengthened the institutional capacities of the PIF, but also subverted some of the organization's fundamentals of the Pacific Way. There was an erosion of the principles of consensus-based decision-making and non-interference into internal affairs of PIF members. In 2005 the Asian Development Bank (ADB) still reported that the low cost of regionalism was one of the major reasons for the PIF's success since the Forum did not limit the sovereignty of its members or put sanctions in place for countries not following mutual decisions (Asian Development Bank, 2005). Especially the so-called Biketawa Declaration contested the low cost of regionalism and marked a departure from the general reluctance to intervene in domestic affairs of member states. The declaration was signed in Kiribati in 2000 and, in the context of ethnic conflicts in Fiji and the Solomon Islands, set out the terms for dealing with regional crises. It was invoked for the first time in 2003, when the Forum authorised the Regional Assistance Mission to the

Solomon Islands (RAMSI) to put an end to interethnic conflict and to secure state institutions. RAMSI fuelled the discussions about the new orientation of the Forum and also about the security policy approach of Australia, which was the major driver of the peacekeeping mission. Still RAMSI also reveals the great interest of Australia to formally legitimize the intervention via the PIF instead of intervening unilaterally and it was a response to a request by the Solomon Islands government (Moore, 2007).

This is a major contrast to the most recent case of application of the Biketawa Declaration, namely Fiji's 2009 suspension from the Forum subsequent to the country's 2006 military coup and its 2009 abrogation of the constitution. This case fundamentally differs from other controversial decisions by the Forum since for the first time action was explicitly taken against the will of one member state – and arguably also against the will of many other Forum members, who did formally not avert the suspension, but never really backed it. Fiji's mere absence as a regional leader and as the host of the PIF's secretariat weakened the institution. High-level representatives of a considerable number of PICs publicly expressed their dissatisfaction with Fiji's suspension, which was most importantly pushed by Australia, New Zealand and Samoa (Hasenkamp, 2011). Many leaders of Forum member countries also frustrated the effective implementation of the suspension by their participation in the so-called *Engaging the Pacific-Meetings* that were hosted by Fiji in open rivalry to the PIF summits (Tarte, 2013). Fiji seems to have strategically and somewhat successfully lobbied against the Forum by trying to strengthen existing channels and set up new channels of cooperation outside the PIF, including the sub-regional Melanesian Spearhead Group and the Pacific Islands Development Forum (PIDF). The PIDF was established in 2013 and covers many of the issues that were also discussed at the PIF summits. Its secretariat is located within the Fijian Ministry of Foreign Affairs and International Cooperation and the Prime Minister of Fiji acts as PIDF chair, leaving little doubt about who is the leader of newly established organization (Tarte, 2013; Pacific Islands Development Forum, 2014).

Sub-regional fragmentation

Particularly in the aftermath of Fiji's suspension from the PIF, and hence from the core of regional cooperation, there was also a revival of sub-regionalism in Oceania that is becoming most obvious in the rise of the Melanesian Spearhead Group (MSG). Sub-regionalism is no new phenomenon in Oceania. Richard Herr stated already in 1985 that the appeal of sub-regionalism is *"[p]erhaps the primary internal impediment to regional action"* (Herr 1985: 5). Sub-regionalism becomes an impediment to regionalism when it desires to compete over competencies with regional organizations. This seems to be exactly what the MSG tried to do, when it formalized its structure and took over economic and political responsibilities that are of relevance to the whole region and are already addressed by the PIF (Herr/Bergin, 2011). These developments were pushed by Fiji, which was trying to compensate for the negative effects of its suspension from the PIF with sub-regional and international cooperation and by the dissatisfaction of Fiji's Melanesian neighbours such as Vanuatu or Papua New Guinea with the suspension (Herr/Bergin, 2011; Hasenkamp, 2011).

Oceania's new prominence in international diplomacy

Regional diplomacy and international diplomacy are by no means separate spheres, but are closely interlinked and influence each other. Therefore, some of the regional dynamics also spill to the international level, where we currently experience gradually increasing activity of the PICs in international organizations such as the United Nations (UN) as well as growing interest of external actors and international institutions towards Oceania. Fiji's Ambassador to the UN, Peter Thompson, said in 2011 that the PICs are now *"wanting to play their full part and assume their rights and responsibilities"* (Radio New Zealand International, 2011). So far the PICs have played, if at all, only a marginal role in the analysis of international affairs. They have been widely ignored and doomed to be of hardly any relevance beyond their role in so-called *aid diplomacy*, more precisely in *selling* their votes in international organizations at the *"sovereignty market"* (Crocombe, 2007). There are in fact many examples for the great dependence of Pacific states on larger actors – for example the Federated States of Micronesia, the Marshall Islands and Palau, who maintain so-called Compacts of Free Association with the United States of America – and for *checkbook diplomacy*, e.g. the prominent example of additional Japanese aid for those states joining the International Whaling Commission and voting in line with Japan (Crocombe, 2008). However, there are several reasons to question whether this very limited perspective on the states of Oceania is fully adequate. Looking more in detail at their activities reveals that the performance of the PICs is far more diverse than a limited view of the PICs as only small, weak and dependent actors that hardly create any influence at all suggests. In contrast, their behaviour is very flexible and largely terminated by the issues concerned. They strategically opt for cooperation with more powerful actors on issues that are of limited relevance to them in order to safeguard financial support, but at the same time they firmly represent their interests and do not obviate confrontation with larger actors, when it comes to their prioritized issues.

The most significant manifestation of the rising prominence and importance of Pacific states in international diplomacy was Fiji's recent chairmanship of the eminent Group of 77 (G77), the most important lobby-group of developing states that consists of 133 nations. The PICs gained more visibility within the UN system also in 2011, when they successfully campaigned within the Asian regional group at the UN to change its name to "Group of Asia and the Pacific Small Island Developing States" in order to accommodate the fact that the PICs constitute over a fifth of the group's membership (Herr/Bergin, 2011). More recently, Kiribati, since its admission to the UN in 1999 the only member of the organization not maintaining an embassy at the UN's headquarters in New York, opened a permanent mission to the UN (Islands Business, 2013). There are also some recent examples for successful lobbying by the PICs, e.g. the re-listing of French Polynesia to the UN's list of non-self-governing territories by a resolution, which was introduced by the PICs and adopted by the UN General Assembly in a meeting boycotted by France in May 2013. So what are the reasons for the rising institutional interest in the PICs on the one hand and their increased level of activity in international organization on the other hand?

Reasons for renewed international interest in the Pacific

First, climate change has put the PICs into global media attention and attached some prominence, even though not necessarily influence, to the Pacific. It is obvious that this single most important challenge to the PICs can only be solved at the international level and the PICs have come under pressure to become active on this issue. This is not to say that Oceania suddenly was on the top of the agenda of international organizations or that their interests had a strong representation. However, for the first time the PICs raised their voices, started to closely collaborate with non-governmental organizations, international secretariats and academic institutions and thereby acquired attention and networks that are of relevance beyond climate change. They also gained experience, which makes it easier for them to actively participate in international diplomacy today than some years ago. As members of the Alliance of Small Island States (AOSIS) they are considered as a "moral conscience" in global climate change negotiations (Barnett/Campbell, 2010), which further strengthened their relevance as strategic partners for the legitimization of other states' policies. It will be difficult for the European Union, for example, to uphold its image as a forerunner in climate protection without some "moral" support by the PICs. Especially for small states, which hardly possess a lot of "hard power" like military capacities, such "soft power" tools are of great importance (Nye, 1990). The close association of the Pacific with the issue of climate change is not always an advantage, though. Sometimes it misleads observers to ignore the engagement of PICs on other important issues and corroborates a view of the countries as weak, vulnerable and as victims.

Secondly, it is also climate change that is a main motivation for enlarging interest of institutional actors in the PICs. In 2011 Ban Ki-moon became the first UN Secretary-General ever to visit the Pacific Islands Region when he participated in the 40th anniversary

Figure 2: Handing-over of the G77 chairmanship to Fiji's interim Prime Minister Voreqe Bainimarama in 2013

PIF meeting in Auckland and afterwards stopped in Kiribati and the Solomon Islands to get some first-hand impressions on climate change. Ban has put climate change and sustainable development on his personal agenda and also introduced institutional cooperation between his secretariat and Pacific representatives, including regular meetings and joint statements with the Pacific Head of States at the margins of the annual General Debate of the UN General Assembly (UN News Center, 2011). Hence it is no surprise that Ban's image in the Pacific seems to be far more positive than in most other parts of the world (e.g. Kiribati Government, 2012).

Thirdly, the gradual distancing from Australia and New Zealand, pushed forward especially by Fiji, enabled other states to engage more actively with the region. Much of this engagement takes place within international organizations, as this is the most cost-effective way to initiate and maintain diplomatic relations. The PICs are now for the first time on the radar screens of many states that previously did not maintain diplomatic relations with the Pacific at all (Herr/Bergin, 2011). Since several PICs, once again headed by Fiji, question their traditional alliances and start to act more independently from traditional part-

ners, they become relevant as partners on different subjects for a very large number of states. This further adds to the attraction the Pacific receives due to its maritime resources becoming increasingly important given that most oceans are overfished and there is more scope for the exploitation of deep sea resources today.

Fourthly, there is a growing interest in islands states in general. The most visible indication is the decision of the UN General Assembly to declare 2014 to be the International Year of Small Islands Developing States. There is broadening interest in issues such as sustainable management of ocean resources or the implementation of the Millennium Development Goals (MDGs) in prone islands. The International Year goes along with the 3rd International Conference on the Small Island Developing States that will take place in September 2014 in Samoa. Since the first two conferences took place in the Caribbean and Africa in 1994 and 2005, the 2014 conference will put an emphasis on the Pacific.

Finally, one state has been particularly active in raising awareness of the Pacific and in motivating its fellow PICs to become more active in global diplomacy. Looking for new partners and ways to compensate the negative impacts from its suspension from the

PIF, Fiji has been very active in international diplomacy over the last years and has been establishing new diplomatic links (Herr/Bergin, 2011). Fiji not only advanced itself at the UN, but also consolidated its image as a Pacific leader. By initiating meetings between Pacific diplomats and representatives from other regions, e.g. from the Arab League, and by fostering cooperation between the permanent representatives of the PICs at the UN, Fiji also integrated its Pacific neighbours in its strategy of international activity (Herr/Bergin, 2011). Fiji's approach in international diplomacy totally differs from that of many neighbouring PICs. While many of its Pacific neighbours still strategically reinforce their image as being tiny, isolated, powerless islands that will not harm anyone, Fiji is portraying itself as a powerful actor that carries global responsibilities. This became particularly evident when it took the lead of the G77 and issued many statements on behalf of this group that comprises about two thirds of the UN membership (Islands Business, 2014). In 2011, Fiji even considered a campaign for the UN Security Council. Fiji backed its standing and record in international relations by further expanding its involvement in international peacekeeping missions. The country more than doubled

its contribution to international peace-keeping missions in 2013 by sending 500 soldiers to the Golan Heights to replace European forces that were withdrawn due to the ascending risk created by the civil war in Syria (UN Department of Peacekeeping Operations, 2014). There is no doubt that Fiji, like many other troop-contributing countries, benefits financially from the deployment of soldiers to peacekeeping missions (Firth/Fraenkel, 2009). At the same time it seems that Fiji considers its contribution also as an integral part of its strategy of international activity, trying to legitimize its claims for greater Fijian involvement in international politics with reference to its record in peacekeeping (e.g. Fiji Mission to the UN, 2012).

Conclusion & outlook

Oceania and its political structures are changing. So is the perception of the PICs internationally. Regional and global dynamics, many of them closely interrelated, changed the patterns of regional and international diplomacy tremendously and are likely to continue in future. Many of these changes were driven by Fiji. Therefore, the region will reach an important crossroads for the future development of regional cooperation in 2014. Fiji proceeds in the preparation of democratic elections that are scheduled to take place in September 2014 and the sanctions imposed by the PIF will be lifted once a democratic government is elected. Over the last year Australia and New Zealand already softened their sanctions against Fiji. It is not unlikely that these recent dynamics are just underway to arrange the next transformations to the regional system that have the potential to once again create a completely different situation to the one that can be observed at the moment. If Fiji starts to collaborate with the PIF again instead of working against the institution, the ascended international visibility of the PIF may benefit the entire region. At the same time it is hardly conceivable that Fiji will let its traditional partners take away its

strengthened engagement at the international level, which also encouraged other PICs to reinforce their activities. Hence, apart from future regional developments, it can be anticipated that the PICs will play a greater role in international organizations such as the UN in the future, because they now claim to enjoy active participation in international society. As Jeanne A.K. Hey puts it, *"states are deemed small not by any objective definition, but by their perceived role in the international hierarchy"* (Hey, 2003: 3).

Acknowledgement

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The governance of spatial-economic restructuring in contemporary China:
The case of textile clusters

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Abstract: The Chinese textiles and clothes industry has been spearheading economic reforms since the late 1970s. Meanwhile, rising domestic wages and increasing global competition have triggered massive upgrading and the modernization of the country's textile hubs. The main challenge has been to master the shift from "made in China" to "designed in China." With these shifts in mind, this paper offers a comparative case-study of the spatial-economic restructuring of two of China's most prominent textile clusters, Shaoxing's China Textile City and Guangzhou's Zhongda Textile District. From a theoretical perspective, the paper is guided and structured by an analytical governance framework. The empirical research reveals specific upgrading strategies due to distinct stakeholder groups. In general, they involve the demolition of small-scale production facilities, the spatial expansion and densification of wholesale markets, the promotion of creative industries as well as institutional and political innovations. According to the governance approach of Pierre (1999), this indicates a "pro-growth" governance mode in both cases. However, according to the governance approach of DiGaetano/Strom (2003), there are two distinct discernable governance modes: a predominantly "managerial" governance mode in Shaoxing, and a predominantly "corporatist" governance mode in Guangzhou. Finally, the authors call for for more in-depth studies into urban governance in contemporary China.

Keywords: China, Shaoxing, Guangzhou, textile industry, economic restructuring, spatial upgrading, urban governance

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Figure 1: Panorama View of Guangzhou's Zhongda Textile District

Source: Michael Waibel, 2013.

Figure 2: Mall within Shaoxing's China Textile City

The textile and clothing industries are without doubt a perfect example when studying China's modernization. Since the beginning of the economic reforms in the late 1970s, both industries have been frontrunners of China's economic catch up. They witnessed tremendous prosperity with annual growth rates of often more than 20% (WTO 2001 & 2013). As in many other sectors, their production is spatially concentrated in the eastern coastal provinces. Those industrial clusters have to keep pace with immense pressure from global competition.

With this in mind, this paper provides a more detailed investigation into how local spatial-economic upgrading is taking place in contemporary China. It provides a comparative case-study of two textile clusters: the China Textile City (中国柯桥纺织城市) in Shaoxing in Zhejiang Province (Yangtze-River Delta) and the Zhongda Textile District (中大布匹市场) including the T.I.T. Creative Industry Zone (T.I.T 创意园) in Guangzhou in Guangdong Province (Pearl-River Delta). Both clusters have recently undergone massive restructuring and an in-situ upgrading. Thereby, a wide range of spatial, political and institutional strategies have been chosen.

Methodology

The data presented was collected from semi-structured qualitative interviews with experts and stakeholders, as well as a secondary analysis of policy documents, laws and Chinese-language newspapers. Several lengthy site visits have been undertaken since 2011. The empirical research focused on Guangzhou, while Shaoxing was investigated from a comparative perspective.

Theoretical Framework

The research is embedded within an analytical governance framework, avoiding normative connotations of "good governance." Governance is understood as a "control and regulating structure that brings governmental and societal actors together" (Benz, 2001, 58; see Rhodes 1997).

This paper relies on the application of two common analytical governance frameworks. As early as 1999, Pierre introduced specific "models of urban governance." Proceeding from these models, the research looks beyond governmental institutions and analyzes the roles of all key participants, policy objectives, key instruments and most common outcomes (Pierre 1999: 377). Pierre identifies four ideal-typed models: corporatist, managerial, pro-growth and welfare (ibid.). Pro-growth governance is by far the most "familiar abstraction of urban policies" (ibid., 383). It is a distinctly elitist mode of governance, because the municipality is governed by "senior elected officials" and the "downtown business" (ibid., 385). In the mid-1970s Molotch designated these partnerships "growth coalitions" (Molotch 1976) and "growth machine[s]" (Logan/Molotch 1987). Growth coalitions often establish institutionalized partnerships to pursue a pragmatic style of decision-making. However, governance research goes beyond the analysis of such alliances.

Particularly, the analytical governance framework of DiGaetano/Strom's (2003) involves a sophisticated approach, integrating three mid-

range theories, a structural approach, cultural analysis and rational-choice, into a model in which political actors are affected by three inter-dependent spheres, namely the so-called structural context, the political culture and the institutional milieu. DiGaetano/Strom clearly differentiate between formal institutional bases such as governmental authorities and informal arrangements. Their model defines five ideal-types of modes: clientelistic, corporatist, managerial, populist and pluralist (ibid.). To distinguish them, DiGaetano/Strom apply the following criteria: modes of interaction (governing relations), the manner of decision-making (governing logic), the key decision makers and the political objectives (ibid.). In the managerial mode, for instance, the city is dominated by "formal-bureaucratic or contractual" relations between governmental officials and private interests (ibid., 385). Decisions are implemented in an authoritative manner. In the corporatist mode of governance, the city is governed by exclusionary coalitions of politicians and powerful interest groups. Decisions are mostly made through consensus and a prominent outcome results in public-private partnerships and special-purpose associations.

China and the global textile and clothing industry

For several years, China has been the leading country exporting textiles and clothes (WTO, 2011). In general, the global textile industry is dominated by a small number of economies, of which the top five share about 83% of the total exports. In 2012, these top five countries were: China (market share 33%), the European Union (24%), India (5%), the United States (%) and Korea (4%) (WTO 2013). China's position in the global clothing and apparel industry is equally dominant. With a market share of 38% in 2012, it remains the leading exporting country, ahead of the European Union (26%), Bangladesh (5%), Turkey (3%) and Vietnam (3%) (ibid.).

Despite continued growth, China's textiles and clothing industries have been suffering from several serious problems, especially since the millennium. In particular, average wages have risen and the minimum wages were increased (see Schucher 2009, 134). This especially stands as a challenge to the
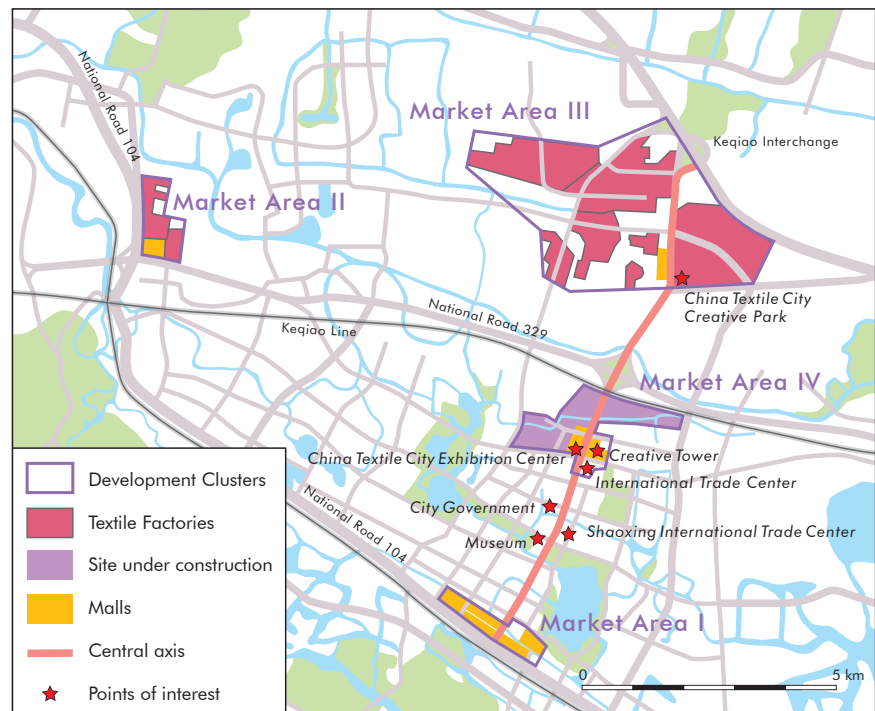

Figure 3: Map of the China Textile City, located in Keqiao district of the city of Shaoxing

more labor-intensive clothing industry. Because the technical requirements necessary to enter global value chains are not high, low wages are a crucial factor for success (Dicken 2007, 255). This is why the exports from countries as Bangladesh grew annually by more than 40% in recent years (WTO 2013). In addition, tighter laws and the stricter enforcement of environmental standards have increased the cost of production in China. All these forces constitute the structural context in which the local-spatial textile clusters are embedded.

The question remains: how have China's textiles and clothes industries been able to stay globally competitive? There are several answers to this: First, there has been a general willingness on the part of Chinese politicians from various levels to boost the competitive strengths at any rate (see ten Brink 2013). For example, the national government deliberately reduced its support of low-end mass production in favor of approaches that generate more added-value, such as fashion-design. The two most recent (the 11th and 12th) Five Year Plans have supported high-tech textile industry companies, ultimately aiming to replace the slogan "made in China" with "designed in China" (CEI 2010). This policy shift is part of what can be labeled as the "Second Transition" (Bottelier, 2007).

At the regional level, similar stra-

tegies can be observed. This is especially important in the Pearl-River and the Yangtze-River Delta. The regional economies have translated the national Five Year Plans into a specific "development guidance" for the textile and clothing industries (interview). Particular emphasis is given to the redevelopment and upgrading of textile hubs (GD Textiles 2011). Economically, several strategies were enacted to achieve greater added value, among other goals, to produce new high-end technical textiles and promote domestic brands (GD Textiles 2011; see also Zhang 2011). Regarding spatial restructuring, the municipal and district governments have also enacted plans to upgrade textile clusters, such as "Several suggestions to make China's Textile City bigger and stronger" and the "Development plan for the Zhongda Textile Market" (see f.e. CTC 2006, FZGH 2007).

China Textile City

The China Textile City is China's biggest textile cluster, proudly labeling itself as the "international textile capital" (CTC 2012). Located in the Keqiao district of the city of Shaoxing, this expansive cluster includes of textile factories, several wholesale malls and exhibition centers, most of them located along one central axis (see figure 3). One of its biggest competitive strengths is the close proximity of trade and production. As figure 3 indi-

cates, almost all of the wholesale malls are adjacent to textile factories.

The roots of the China Textile City can be traced back to the late 1980s. At that time, vendors and small textile factories emerged in market area I. The local state soon began to realize the potential of the textile industry as engine of economic growth (CTC 2012). It began to promote the emerging textile cluster through business-friendly policies, weak environmental standards and large-scale infrastructure projects (interview). The district and municipal governments are also the leading market investors: the state-owned Investment and Development Company has established myriad daughter companies to develop the cluster since the early 1990s.

Market areas I, II and III were established before 2000. During that time, the China Textile City evolved into China's largest textile cluster, although it was characterized only by small-scale factories and a few malls. Around the year 2004, the local state began a new era of economic upgrading. With it, the government chose a twofold strategy. First, it expanded the market spatially; the construction of the new area IV began around 2010, and in market areas II and III, former nearby agricultural plots were developed. Secondly, existing market areas experienced a densification; about a dozen "mega-malls" were erected, serving a variety of purposes.

The processes of economic upgrading quickened with the erection of the "Creative Industry Base of China Textile City" around the high-rise landmark "Creative Tower" and the "China Textile City Creative Park" mostly developed by the local state. It granted significant economic incentives such as free office space for designers within so-called "Zero Cost Creative Studios," as well as tax incentives to attract high-tech enterprises (CTC 2012). Meanwhile more than 70 research and design institutes and colleges have been established in Shaoxing (field observation). All these are important milestones in the realization of Shaoxing's "creative textile zone", undoubtedly one of China's major innovative clusters for textiles. (Keane 2013, 176). This illustrates immense efforts on the part of the local state. More recently, another mega-infrastructure, the large-scale "China Textile City Exhibition Center," has also been erected, regularly housing fairs and fashion shows. All in all, economic growth has been the main policy objective of the spatial-economic restructuring. Indeed, in 2011, this cluster achieved a 7% share of China's total exports (CTC 2012).

The establishment of new institutions is indispensable in achieving successful spatial-economic restructuring. The city and district governments created two important institutions to govern the market in 2006: 1) the China Textile City Construction and Management Small Group and 2) the China Textile City Construction and Management Board. The Small Group appears to be the ultimate decision-maker, responsible for the "macro-management" of the market, its strategic planning and major investments (see Keane 2013). It pools officials from the (local) CCP, the municipal and district government and managers of state-owned enterprises (CTC 2006, see Keane 2013, 176). The Management Board is responsible for the micro-management of the market, i.e. its daily management and the implementation of redevelopment. It is de-

Figure 4: Newly constructed mall and the Creative Tower (right part of the photo) within the China Textile City

Source: Michael Waibel, 2012.

signed as special purpose association composed of representatives from the district government, sector departments and the state-owned investment company (CTC 2006).

According to the governance approach of Jon Pierre (1999), this indicates a pro-growth governance model. A growth coalition including governmental actors and their state-owned investment companies has been pursuing the objective of local economic restructuring. To boost local growth, the local state has mobilized large public investments and institutionalized decision-making. Nation-wide, this unique manner of state-sponsored development became famously known as "Shaoxing model" (Keane 2013, 176). According the governance approach laid out by DiGaetano/Strom (2003), the development of the China Textile City can best be described in terms of the managerial governance mode. Independent private (economic) actors, such as the many small- and medium-seized enterprises, have only played a limited role in the development and management of the China Textile City. From a governance perspective, this is an archetypical "formal bureaucratic" authoritative way of decision-making (DiGaetano/Strom 2003, 365). Further, different government actors have built a "formal bureaucratic" growth coalition.

Zhongda Textile District

The Zhongda Textile District is the second largest textile and clothes market in China, located in Guangzhou's Haizhu District (see figure 5). It emerged at the end of the 1980s, when street vendors began trading textiles produced in small-scale factories, located in nearby urbanized villages. The textile district mixed with these villages (Schröder et al. 2010), which, aside from acting as sites of production, provided workers with cheap accommodations in so-called "kissing buildings."

At that time, the district government was not able to compete with the power of the villages. It instead only interfered sporadically in Zhongda's development and made no larger investments (Liu/Deng 2004). This resulted in a rather chaotic spatial fragmentation of the whole district (Shuai 2008). These structural disadvantages contributed to a loss of economic competitiveness at the beginning of the millennium. To tackle the prob-
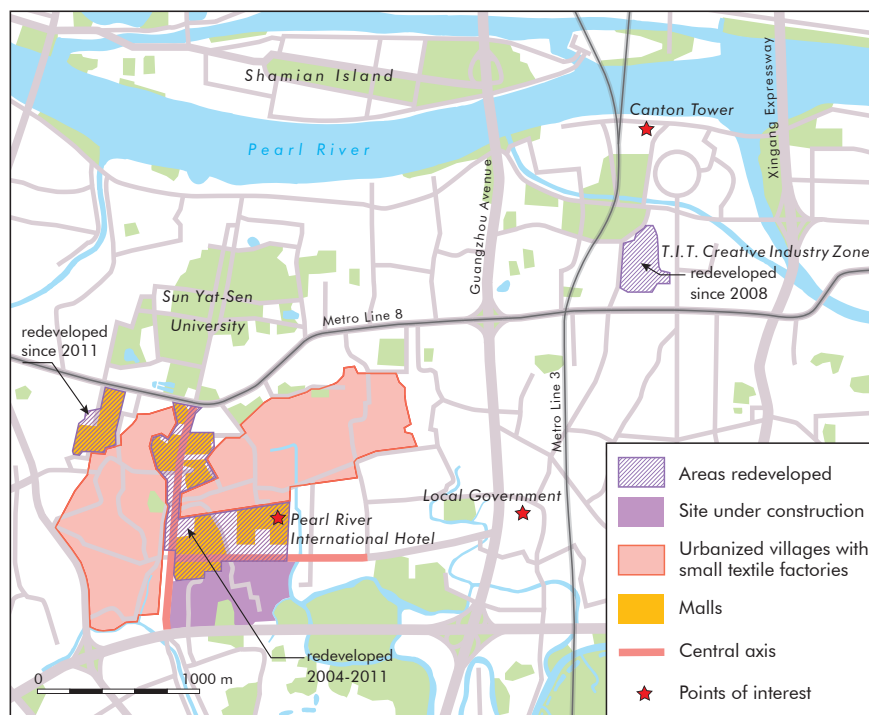

Figure 5: Map of the Zhongda Textil District, located in Haizhu of the city of Guangzhou

lems, the district government consulted experts to study China's Textile City as Zhongda's main competitor (interview). It was suggested that an in-situ new organization and spatial-economic upgrades would be necessary. This process of learning from others is characteristic of China's economic reforms. From a theoretical point of view, it is known as "incrementalism" (Naughton 2007) or "institutional learning" (ten Brink 2013).

2004 was a pivotal year for the district government, when it launched a wave of tertiarization projects and began providing the market with sufficient infrastructure. This could only be realized through municipal level policies. These policies prohibit the villages from directly selling plots to investors. Instead, they can only be sold to the districts (Schoon/Altrock 2011). Afterwards, the local state became the most important actor in the Zhongda Textile market. Since 2004, the district government relentlessly bulldozed village structures to construct a north-south axis and an east-west intersection (Liu/Deng 2004). Along these roads several gigantic wholesale centers opened. Besides these large-scale projects, the local state also improved the infrastructure within the urbanized villages, for example by building new roads and upgrading canals. Some smaller production sites had also been demolished prior to this. In addition to this process of densification, the market also expanded southwards (see figure 5).

In general, the role of textile production decreased, while the services sector grew. New malls conduct trading, fashion shows, and act as exhibition centers, urban entertainment facilities and hotels. Another strategy has been developing a new creative space for fashion design. On the site of a nearby textile machinery factory, the T.I.T. Creative Industry Zone was developed (Li 2012), symbolizing the shift towards an innovative, knowledge-based tertiary sector. The spatial-economic restructuring process got supported by newly introduced policies from the level of the province such as "Three Olds" (三旧改造) and "Suppress the Secondary" (退二进三). T.I.T.'s success was even recognized by the Chinese president Hu Jintao when he visited this creative space in 2011. He characterized T.I.T. as a model of economic upgrading that fostered "internationally competitive Chinese clothing brands" (Information times 2011).

In contrast to Shaoxing's China Textile City however, the local state relied on non-indigenous resources to a larger extent. To develop the malls, it invited different mostly mainland Chinese private investors (interview). Consequently, the local state and investors both became powerful key actors. The redevelopment of the Zhongda Textile District was also accompanied by several institutional innovations. Al-

ready in 2004, the district government created the Management Board of the Zhongda Market, responsible for the macro-management of the market, its supervision and its relations with the private developers (Schoon/Schröder 2014). In the course of time, more new institutions developed on the micro-level, such as development and management companies established to operate the malls and balance the interests of private investors with those of the government. In the case of T.I.T., a private management company selects representatives from its investors to oversee it as a creative zone and distribute its profits among the investors (Li 2012; interviews).

From a governance perspective, the inclusion of private actors in the decision-making and the building of institutionalized public-private partnerships are key elements of what Pierre (1999) calls "pro-growth governance." The two key participants are the local state and the private investment companies, especially since 2004. These actors have shared the policy objective of local economic restructuring and jointly mobilized large public and private investments. According to DiGaetano/Strom (2003), the development of the Zhongda Textile District can be described in terms of the corporatist governance mode. The local state and private actors, as Zhongda's key decision makers, entered into an exclusionary ruling coalition driven by powerful economic interests – characteristic of the corporatist governing logic (ibid. 363). New public-private institutions further enable participatory and more transparent decision-making to a certain extent. But the description of the massive bulldo-

zing of the rural settlements also shows that spatial restructuring has been implemented in an authoritative manner, indicating that the structures of the managerial governance mode co-exist alongside the corporatist mode.

Conclusion

This paper demonstrates that Shaoxing's China Textile City and Guangzhou's Zhongda Textile District are embedded within similar structural contexts, both subject to fierce, global competitive pressure, rising domestic wages and efforts to master the Second Transition. As they trickle down to the local level, these challenges have forced political actors to pursue a threefold approach of spatial redevelopment, economic upgrading policies and institutional innovations.

In spatial terms, both sites experienced a densification of existing structures and spatial expansion can. This coincided with the opening of gigantic wholesale malls, the construction of an effective infrastructure and facilities as hotels that meet the needs of international customers. Physical restructuring is essential in allowing economic operations to upgrade as well.

In economic terms, the importance of in-situ manufacturing is decreasing, while international trade is encouraged by wholesale malls, exhibitions and fashion shows. These measures shall also promote domestic consumption. Furthermore, within the new Creative Tower and the T.I.T. Creative Zone, more innovative approaches are being realized. These strategies to stay competitive are strongly supported by the higher levels of the party-state, as they can help to mature China "from a big

to a strong textile and clothing country" – to quote President Hu Jintao – and also to master the so-called Second Transition (Information Times 2011).

In institutional terms, redevelopment has been accompanied by the creation of innovative administrative entities. New institutions were designed to allow for comprehensive management of both textile clusters. They further professionalized the interactions between governmental departments and the public. Perhaps most importantly, they enable the local state to act as the key stakeholder. The institutions are also necessary for implementing restructuring, either through a public-private alliance, as in case of Zhongda, or an exclusively governmental growth coalition, as in case of Keqiao.

Finally, this paper also identifies different governance modes. From the perspective of Jon Pierre, the processes of upgrading in both clusters show the same pro-growth governance with the focus of the key participants on economic growth. The redevelopment was implemented in an authoritarian manner and massive investments were mobilized—typical characteristics of pro-growth governance. The study also indicates that the manifestation of the pro-growth mode is however different in both cases. The differences between the two clusters become particular clear, when applying DiGaetano/Strom's terminology. Shaoxing's China Textile City has been developed exclusively by its unique coalition of different governmental entities. This indicates a predominantly managerial mode of governance. The Zhongda Textile District, on the other hand, embodies a predominantly corporatist governance with some managerial elements. In Zhongda, more diverse and numerous actors were involved in the redevelopment process. As a result, the decisions made within Zhongda Textile District seem to be more consensus-oriented and made only after exclusionary negotiations between different actors.

In general, the different governance modes can ultimately be traced back to the different governing relations and governing logics among key decision makers.

All in all, the application of analytical governance models often abstracts and oversimplifies that to which they are applied. The authors maintain that it is nevertheless appropriate to uti-

Source: Michael Waibel, 2012.

Figure 6: Public art within T.I.T. Creative Industry Zone, Guangzhou

Figure 7: Fashion design within T.I.T. Creative Industry Zone

Source: Michael Waibel, 2012.

lize such typologies, because they help guide and structure research, and generalize findings. This is especially useful given the fact that governance research in China still deals with a lot of white spots. Comparing the governance framework of Pierre with that of DiGaetano/Strom, the latter seems to be more suitable, as it explicitly integrates the structural, institutional and cultural forces that influence urban policy. It also takes into account the informal dynamics of urban change. Therefore, DiGaetano/Strom's governance typology seems to reflect the realities in contemporary China more comprehensively than the more simplifying approach of Pierre. The modes of urban governance help to decipher a more complex and detailed picture of China's changing urban governance. Another advantage of the application of analytical governance typologies is their comparative dimension. The question as to how how Chinese cities are governed might only be answered through an assemblage of several local level case-studies.

Acknowledgement

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