

CHAPTER I

Introduction

Globalization strives for all the states to enhance their development to face this era. It could be a challenge around the world. Even though there is a contradiction on how to see the globalization, The Third World Countries seem widen the gap between the have and the have not. It can not be denied that globalization forced democracy, changed the way people think, fasten connection, link, and access of knowledge among people in the world including access to international trade that benefited developing countries to drive its economic growth. In some cases, project of foreign aid designed and financed by international institutions like IMF and World Bank increases the debt of Least Developed Country rather than fosters economic growth. The pace of globalization deepened the vulnerability of Least Developed Countries (LDCs) in terms of economic that makes it refers to struggle for its survival than pursuing economic growth. In the other hand, the optimisms come from pro-poor development that back on the global agenda.¹ Many supporting projects fostering development in LDCs may lead its country to the developing world.

Ensuring growth rates within the LDCs indicated the development achieved by the states. One state could graduate from LDCs status if it met at least

¹ Keuleers, Patrick. March 2004. *Governance in the Least Developed Countries in Asia Pacific, an assessment of the current situation*, (online), (<http://regionalcentrebangkok.undp.or.th/documents/reports/GovernanceinLDCsinAP.pdf> downloaded at December 2, 2008).

two of three indicators. As the following criteria of country's state development based on Committee for Development Policy are increasing of Gross National Income (GNI), The Human Assets Index (HAI), and the Economic Vulnerability Index (EVI).² The continuous growth of LDCs makes these countries possible to graduate from Least Developed Country status to be developing country.

Developing countries are defined as the countries, which have not achieved an industrialization degree related to their population and low standard of living because there is a correlation between low income and high population growth. This level of development refers to the terms utilized start from least developing countries, developing countries, and developed countries. The utilized term was given by international organizations and international institutions like United Nation to categorize the states based on its growth. Having graduation on each level indicates that one state successfully achieved the continuous growth. It shows that one state is able to emphasize the comprehensive development.

A. Background

Least Developed Countries (LDC) considered as the countries, which have the lowest socioeconomic development and the lowest Human Development Index. These countries characterized by low GNI (Gross National Income), weakness of human resources, and low economic development. The conditions of these countries are societies live in poverty, so many conflicts such as civil war and ethnic clashes, weakness of governance,

² Unescap. July 2007. *Least Developed Country*, (online) (<http://www.unescap.org/LDCCU/LDCs/LDC.asp>.downloaded at August, 28, 2008).

and lack of political and social stability. More over in Africa there are any health issues, which widely spread such as high rate of AIDS. By those criteria, there are 50 countries were applied in to Least Developed Countries categorization.³ The most Least Developed Countries is in Africa, ten countries in Asia, Caribbean, and Oceania.

The indicators of Least Developed Countries above cannot be found in Oceania. Kiribati, Samoa, Tuvalu, and Vanuatu are politically stable democracies, and lack any form of civil or ethnic clashes. They also do not strongly infected by AIDS. Although they have small economies, the condition is not classified in poverty.

Samoa is one of the Least Developed Countries located in Oceania. Samoa is a volcanic archipelago that has nine islands. The two largest Savai'i and Upolu, account for most of population with only two others, Manono and Apolima, being inhabited. The other five are called Fanuatapu, Namu'a, Nuutele, Nuulua, Nuusafee.⁴The geographical condition makes Samoa stands on environmental vulnerability. Environmental degradation continues to be important issues for these country, the issues include the effects of climate change, rising sea levels, declining marine resources, and losses of flora and fauna, coastal erosion, water quality, water availability and natural hazards.

In 1830s, the European settlements occurred for missionary work and trade. In 1899 Samoa became German colony. Under a League of Nations

³ Unescap, *Least Developed Countries*, (online), (<http://www.unescap.org/LDCCU/LDCs/LDC.asp>, downloaded at 23 august 2008).

⁴ Turner, George, LL. D., *Samoa: A Hundred Years Ago and Long Before*, (Institute of Pasific Studies, University of the South Pacific, 1984).

mandate, Samoa was controlled by New Zealand after the outbreak of the First World War. In 1962, Samoa got its independence from New Zealand. Then in 1970, Samoa became the commonwealth member. In 1976, Samoa joined United Nation.⁵ In 1997, the formal name Samoa was adopted before the name is Western Samoa.⁶

Samoa is in the highest rank of governance indicators for the Asia-Pacific LDCs.⁷ The indicators are voice and accountability, political stability, government effectiveness, rule of law, regulatory quality, and control of corruption. The governmental system of Samoa is parliamentary democracy where the executive and legislative powers are merged together. Samoan Head of State is the Highness Tuiatua Tamasese Efi. He was appointed in June 2007 for five years term. The head of Government is the Prime minister, who is chosen by Parliament and selected by the Head of State. The Prime Minister formed the government and led a cabinet of twelve members. The dominant party in Samoa is the Human Rights Protection Party (HRPP), which has 39 of 49 seats in Parliament in 2006. The others parties are the Samoa Democratic United Party, the Samoa Party, the Christian Party, and the Samoa Progressive Political Party.⁸

⁵ History of Samoa, (online) (http://en.wikipedia.org/wiki/History_of_Samoa). downloaded at December 23, 2008

⁶ Samoa History, (online) (<http://www.samoa.co.uk/history.html>.) downloaded at December 23, 2008.

⁷ Source: World Bank website (figures are for the year 2002) Keuleers, Patrick, March 2004, (online) (*Governance in the Least Developed Countries in Asia and Pacific, An assessment of the current situation*), downloaded at December 2, 2008.

⁸ Department of Foreign Affairs and Trade, *Samoa Country Brief- September 2008* (online) (http://www.dfat.gov.au/GEO/samoa/samoa_brief.html. downloaded at December 23, 2008).

The Samoan economy traditionally has been based on primary industry such as agriculture and fishing. Agriculture is responsible for approximately two-thirds of labor force. Samoa is an agriculture country by the fastest economic growing in the Pacific Island by achieving GDP in US\$ 0.294 billion in September 2007 and real growth 2.6 per cent in 2006.⁹ The GDP has steadily declined over the decades even though the economic growth reaching robust. Economic performance has improved consistently since 2000 by growth rates 7 per cent in 2000 and 6.6 per cent in 2001. These positive growth rates were driven mainly by the construction sector, commerce industry, especially tourism and the export sectors. Economic growth slowed down to 1.2 per cent in 2002 and improved by growth rates of 3.3 per cent and 3.7 per cent in subsequent years. The average annual growth rate from 2000-2004 was 4.6 per cent. Economic activity in the last three years has shown signs of improvement. While total GDP has shown a persistently positive growth trend over the last 5 years due mainly to developments in the monetized sectors, the implication is the more wage employment will need to be generated. Becoming employable in an increasingly competitive labor market means higher general education levels and specialized trades and services will become even more essential. Now the others important sectors are manufacturing and tourism. Tourism has experienced growing steadily over the past few years.

⁹ *Ibid*

The export revenues were 4.0 per cent lower while imports increased by 14 per cent in the first ten months of 2005. Remittances also continued to grow strongly, increasing to more than \$198.0 million. Net foreign reserves amounted to \$207.3 million, an increase of 2.0 per cent over the same period in 2004 and equivalent to 5.2 months worth of import cover. The economy has maintained a healthy balance between domestic economic production and aid sources.¹⁰

The current account deficit deteriorated significantly by \$83.78 million, increasing from \$6.33 million in 2003 to stand at \$90.11 million in 2004. The deterioration in the current account deficit was caused by the significant increases in merchandise imports of \$61.32 million and the decrease of \$25.15 million of net income and services. Domestic credit to the private sector rose to \$358.74 million, representing an increase of \$40.27 million over 2004. On public finance, the 2003/04 budget outturn indicates an overall deficit of \$8.88 million and a current surplus of \$42.03 million. The 2004/05 provisional budget indicates a similar overall deficit to 2003/04 and a reduced current surplus of \$26.74 million.¹¹

Samoa has been depending also on remittances from national living overseas and development aid. Loans, grants, and foreign aids are the important components of Samoan economy. The significant source of income comes from New Zealand, Australia, and United States approximately reached

¹⁰ Samoa Report on the Implementation of the Brussels Program of Action for LDCs

¹¹ *Ibid*

A\$ 130 million in 2005-2006.¹² The geographical area makes Samoa relatively isolated from foreign markets. The impact of its condition limited Samoa to stabilize its macro-economic maintenance as well as export expansion or foreign exchange base economy.

Samoa's total population estimate 180,900 in 2004. Social, religious, and political lives of Samoan are derived from custom, tradition, and social hierarchies. In Samoan culture, people prefer to encourage young women to have a good manner or etiquette as conservative women than taking a higher education. The compulsory education is 14-years basic education, then it is not compulsory for children older than 14. The literacy rates are lowest compared to other graduation cases.

Samoa actively participated in regional associations. In 1971 Samoa became a member of the Pacific Island Forum as the main body for political consultations among countries of the Pacific Region. The others regional organization which Samoa actively involved in are the South Pacific Regional Environment Program (SPREP), the Forum Fisheries Agency (FFA), the South Pacific Applied Geosciences Commission (SOPAC), and the Pacific Community (SPC). In the international forum, Samoa became a member of United Nation, Commonwealth, UNESCO, FAO, WHO, the Asian Development Bank, and the World Bank.¹³

¹² Department of Foreign Affairs and Trade, October 2008, *Samoa Country Profile*, (online) (<http://www.spc.int/sppu/images/stories/.pdf>, downloaded at December 1, 2008).

¹³ New Zealand Ministry of Foreign Affairs and Trade, *Samoa*, (online) (<http://www.mfat.govt.nz/Countries/Pacific/index.php> downloaded at June 9, 2008).

Economic and Social Council (ECOSOC) has been giving the mandate to the Committee for Development Policy (CDP) in 2006 to review LDCs list. The CDP has the rules to overview the LDCs development and these is possible to add the list or to graduate the LDCs based on criteria for its addition and graduation cases. The criteria are the rates of low income, weak human assets, and high economic vulnerability by the population not more than 75 million.¹⁴ When the country met the positive development rates at least two of such criteria then it could be graduated from LDCs list, but the country still would be involved in LDCs list when it cannot passed at least two of those three criteria.

Based on the result of the Committee review toward Samoa development, the United Nations recommended that Samoa would be changed from LDC status to the developing country in 2006.¹⁵ But The Samoan government disagreed, and retains LDC status then asked for a review of the recommendation. The case of Samoa is unusual phenomenon when a state achieved the level of growth but it rejected the recommendation of graduation to the higher status based on its economic development from Least Developed Country to the Developing Country.

¹⁴ UNCTAD, *The 2006 Review of the List of LDCs*, (online), (<http://www.unctad.org/Templates/Page.asp>, downloaded at December 23, 2008).

¹⁵ Department of Foreign Affairs and Trade, *Samoa Country Brief- September 2008*, (online), (http://www.dfat.gov.au/GEO/samoa/samoa_brief.html, downloaded at December 24, 2008).

B. Research Question

Based on that background, the research question can be formulated as follow:

Why the Samoan Government rejected the UN proposal to change its status from Least Developed Country to Developing Country?

C. Purpose of Research

The main purpose of this research is intended to explain the reason and influential factors of Samoan Government to reject the United Nation proposal to change the status from Least Developed Country to Developing Country.

Generally, the purpose of the research is to find, develop and examine the truth about one phenomenon especially in International Relations studies. In this research the writer collects the data then tries to analyze to get the answer and built a hypothesis. The writer hopes this research benefited the reader as a source of knowledge, reference, and more over the reader will create continuous or advanced research related to this topic.

In addition, the purpose is importance to complete the final essay for a requirement to obtain a bachelor degree (S1) on the International Relations study, Faculty of Social and Political Science, Muhammadiyah University of Yogyakarta.

D. Theoretical Framework

Theory is a statement to answer the question ‘why’, and then this statement contains the general explanation which correlated concepts logically.¹⁶ By using theory, a phenomenon could be explained why and when it happened.

Based on explanation above, the writer used decision-making theory by rational actor model.

1. Rational Actor Model of Decision-Making Theory

According to Graham T. Allison, decision can be made by three possibilities of models. They are rational actor, political struggle, and organizational process. In rational actor model, the decision maker is a single side. The decision purpose is strategic not tactical/ a longer-run decision. The decision is based on the consideration of cost and benefit, not based on political reason. Rational decisions are ones that advances the welfare of the decision maker effectively and logically based on the decision maker know and feel.¹⁷ The rational actor here is the government. Government is analogically as an individual who makes the decision based on many alternatives. Criteria for rational decision;¹⁸ the decision is based on the decision maker’s current assets. Assets include not only money, but physiological state, psychological capacities, social relationships, and feelings. It is based on the possible consequences of the choice, when

¹⁶ Mas’oed, Mohtar,, *Ilmu Hubungan Internasional: disiplin dan metodologi*, (LP3ES,1990), page186.

¹⁷ Dougherty, James E., *Contending Theories of International Relations: a comprehensive survey*

¹⁸ *Ibid*

these consequences are uncertain, their likelihood is evaluated according to the basic rules of probability theory. It is a choice that is adaptive within the constraints of those probabilities and the values or satisfactions associated with each of the possible consequences of choice.

According to William D. Coplin, the actions of rational actor was resulted an intellectual process which considered as foreign policy decision-making.¹⁹ It is influenced by domestic politics, economic and military capability, and international context. Thereby, foreign policy analysis has to be focused on national interest and national objectives.

The case of Samoa, the rational actor is the Government of Samoa. The government analogically as an individual who makes the decision based on many alternatives and considerations that state has. The Government of Samoa should consider the consequences on what decision that already made or would be made related to the state's assets including how the state capability and what actually that state needs.

The role of decision maker of one state is very important to decide the best direction that one state should take. In decision-making process, there are many interests influenced the process. The decision that Samoan Government made to reject United Nation proposal on LDCs graduation can be called as an intellectual process that resulted by its government. The factors provided the basis for a decision can not be separated with national interest.

¹⁹ *Ibid*

2. Concept of National Interest

Rosenau in Mohtar Mas' oed, 1998, stated that national interest has two functions. First, as a political terminology to describe, explain, or evaluate foreign policy. Second, as a political action, it functioned as a media to justify, criticize, or propose policy. It is useful for decision maker to define its foreign policy related to the context of national interest. Meanwhile, based on Morgenthau, the state behavior in International Relations is conducted by the pursuing of national interest, while national interest is to get, to maintain, and to enhance state power.²⁰

National interest concept states that all of the effort done by one state to fulfill its needs. The needs of one state include economic well-being, self-preservation, and sovereignty.

Economic well-being is the first element that Samoa government needs to enhance, as Samoa is a state which, included in a group of states, which receive the big fund from the donor. Samoa is one of the highest recipients of remittances or financial aid in the world. This state depends on foreign development assistance and has high level of external debt. The account deficit of Samoa can only be sustained by this aid. The indicator of development is not merely based on economic progress, but also emphasizes in social and capacity building and environmental

²⁰ Mas' oed, Mohtar, *Teori dan Metodologi hubungan Internasional*, Pusat Antar Universitas Studi Sosial Universitas Gajah Mada Yogyakarta, 1988.

management. These aspects are those that Samoa needs to empower in order to achieve the comprehensive development.

The Development Program for LDCs member sustained by the donor country (managed by United Nation) has not only developed the economic growth but also designed on the initiatives to integrate sustainable development in which the economic, social, and environmental management are the pillars. The LDCs member got the assistance to enhance its growth through those development programs. Here, Samoa is one of LDCs member that needs the development assistance to sustain its capacity.

E. Hypothesis

Based on the data collection process and background that already mentioned above, I can write the hypothesis tested by observation, examination, and investigation which, in the end of research the hypothesis called proven if the result is appropriate with hypothesis that has been made. The hypothesis is Samoan government rejected UN proposal to graduate the status of Samoa from LDCs to developing countries because economically Samoa will lose of many facilities and aid during its status in LDCs.

F. Research Methodology

This research was conducted by qualitative methodology. To explain the problem I used library research. I get the information from collecting

references in form of books, magazines, newspapers, and journals. I also used various data from internet since some information and data dealing with the topic forwarded are only available in internet. Then, the data collected would be analyzed by using content analysis technique.

G. Range of the Research

It is important to limit the time, scope, and theme in which the research is held. It helps preventing the subject from being expanded. The range of this research is focused on the condition and situation of Samoa located in South Pacific Region since it was reviewed by Committee for Development Policy (CDP) in 2003- 2006 triennial review related to graduation rules.

H. System of Writing

Chapter I : consists of preface, background, hypothesis, problem formulation, and theoretical framework which are used to be the overview of this research.

Chapter II : consists of the overview on LDCs. it explained about the definition of LDCs by ECOSOC and its development programmes toward LDCs. there is a description of challenges of LDCs in Oceania since the object of research is Samoa as one of LDCs in Oceania.

Chapter III: there is comparison between LDCs and Developing Country.

The comparison was not merely the differences upon definition and characteristic of Least Developed Countries and Developing Countries but it provided the developing country picture and the process of a state being categorized into LDCs or Developing country list.

Chapter IV : this chapter provided explanation Samoa as one of LDCs member with its economic vulnerability as a reason of Samoan Government to reject UN graduation proposal to change the status from LDCs to Developing Countries.

Chapter V : conclusion