

# **The Referendum in New Caledonia: What is at Stake?**

**Denise Fisher**

On 4 November 2018, New Caledonia held its long-awaited independence referendum and voted 56.4% to 43.6% against becoming independent, a momentous event with many implications.

## **Context**

The vote is just the beginning of a process, the last stage of the 1998 Noumea Accord which provides that, because this referendum resulted in a ‘no’ to independence, a second one can be held in two years’ time if one third of the local Congress agrees, and again a third referendum on the same basis two years after that. Since the independence groups have more than one third of the seats of the Congress, a further vote or votes is likely. If the answer is ‘yes’ at any time, then New Caledonia becomes independent. If all three votes deliver a ‘no’ to independence, then France must initiate discussions with all parties about the future.

So we are looking at a process that will take up to at least four years, possibly punctuated by two more votes in 2020 or early 2021 and 2022 or early 2023. This period signals the end of the thirty years of predictability, economic prosperity and stability under the Noumea Accord and its predecessor, the 1988 Matignon Accords. New uncertainties are arising, at a time when the stakes are higher than ever before, for New Caledonia, for France, for the region, and for Australia.

## **What the recent vote means for New Caledonia**

Because of New Caledonia's troubled history, the fact of the vote having taken place at all is a major historic moment for the territory. It has held previous independence votes, first in 1958, voting to stay in France on a promise of more autonomies within the national community. Some statutory changes were made in that direction, but by the 1960s, local groups wanted to develop the valuable nickel resource—New Caledonia has at least 25% of the world's nickel—involving foreign partners. France quickly stepped in and began to roll back some of its concessions. By the 1970s France was bringing in immigrants from other parts of France, explicitly to outnumber the indigenous Kanak people and thwart threats to its sovereignty. A newly-formed, largely Kanak movement led by Jean-Marie Tjibaou, led independence demands and became increasingly frustrated with France, leading to effective civil war in the 1980s. After an abortive independence vote in 1987, boycotted by the Kanaks, disturbances culminated in a brutal confrontation with French police in early 1988.

This event, along with pressure from Pacific states to change its regional policies, led France to reconsider its approach. It negotiated the 1988 Matignon/Oudinot Accords, and the related Bercy Agreement, ending the bloodshed, establishing new political institutions, re-distributing some of the nickel revenues, and promising an independence vote by 1998. As that deadline approached, all parties—the French State, the independence, and the pro-France groups—agreed to sign the 1998 Noumea Accord providing for a number of handovers of responsibilities to New Caledonia, in return for extending the deadline for the vote by another twenty years because the risk of a return to violence was considered too high.

As late as 2017, some loyalist parties were calling for a further deferral, possibly by 50 years, citing concern about a return to violence. It's worth noting that 4 November 2018 was the latest date that the vote could possibly be held under the Noumea Accord. The local Congress could have set a date any time from 2014 but was unable to agree to do so. With all the sensitivities, the French State's main objective was to organise the vote in a way that it would be widely accepted as fair and legitimate. Its preparations were scrupulous. Two teams of foreign observers attended, from the United Nations and from the Pacific Islands Forum.

The result was a surprise to many for a range of reasons. First, the turnout was the largest ever in New Caledonia's recent history. Voting is not compulsory and a massive 80.01% of those eligible to vote—essentially all indigenous Kanaks and non-Kanaks with at least twenty years residence to 2014—turned out to cast their vote. This compares with just under 40% in the last French national elections (2017) and just under 70% in the last local elections (2014). Lines were long, with waits up to two hours, so much so that they delayed the count for a couple of hours, so those who had entered the booth areas but were waiting to vote at closing time were able to cast their votes.

Second, the independence vote was larger than expected. Opinion polls, though with large margins of error, pointed to a vote to stay with France of at least 65–69%. Some loyalist leaders were saying they expected at least a 70:30 vote against independence. However, the relatively strong support for independence, at 43.6%, mirrors the weight of this support in the local Congress, where independence groups hold 46.29% of the seats. But loyalists and the French State thought that in an independence vote, more Kanaks would see the economic and other benefits of staying with France and vote accordingly. The French State had underlined, when it released voter lists before the campaign began, that Kanaks constituted 46% of eligible voters for the vote. Since results showed that most of the 'yes' vote came from Kanak areas, both the French State and loyalists could see from preliminary results that only around 3% of Kanaks apparently wanted to stay French. This was a sobering result.

Third, it was very clear, simply scanning the queues, but also from the results, that numbers of young Kanaks voted, and apparently they voted in large numbers for independence. In greater Noumea for example, a bastion of European support, initial figures showed the vote for independence reached 26.29%.

Fourth, and not least, the voting took place, despite the queues, peacefully, against many predictions. After polls closed, there were some incidents of burning and stoning of cars, but the vote itself was peaceful, an achievement impossible to contemplate just thirty years ago.

There were other features of the campaign and result that were not so surprising. The first was the demonstration, in this result, of the ethnic underpinning of differences over independence in New Caledonia.

The Kanak heartlands in the north and east of the main island, and in the islands, delivered even higher turnouts, and strong support for independence, often over 80–90%. The prosperous European-dominated area around Noumea delivered the strongest support for staying with France.

The bitterness of the debate was also not surprising, along with the widening of divisions as pro-independence and pro-France parties put their cases during the campaign. There was solid work by the moderate parties throughout the territory, but debate was sharpened by the actions and announcements of extreme parties on each side. The hardline independence Labour Party called for its supporters to boycott the vote, which could explain the relatively low participation rate in some of the islands; and two right-wing parties announced just days before the vote their intention to seek legal action to head off the possible two further votes in coming years, an inflammatory idea for independence supporters.

The French President welcomed the result on the night of the vote, saying he was proud that the territory decided to stay with France, that the only winner really was ‘the process in favour of peace’, and saying that from a political viewpoint, ‘there is no other way than that of dialogue’. Prime Minister Édouard Philippe visited the territory fleetingly on Monday 5 November with the same message, announcing a meeting of the Committee of Noumea Accord Signatories in December.

While the vote proceeded in a peaceful manner, there has been unrest before and after. There have been barricades, stonings of cars and even firing on cars and police by young Kanaks over recent days, in the sensitive St Louis area on the edge of Noumea, in Païta, and elsewhere. Very young Kanaks (aged 13–15) have blockaded a mining site since August, protesting against further development there in opposition to their own elders who had approved the projects. There is no doubt that the sensitive period ahead will see more of this kind of disruption.

But let’s not forget where New Caledonia is today. Whatever happens in the future, all of the transfers of responsibilities and new institutions that have been created by the Accords will remain with New Caledonia. It will retain the considerable powers it has—for example to pass legislation itself (unique among the French territories) and to control domestic civil aviation, primary and secondary education, some foreign affairs and trade activities. France still injects AU\$ 2,000,000,000 into New Caledonia

every year, but the local government is taking on more and more financial responsibility of its own.

The fledgling new institutions created under the Matignon and Noumea Accords have worked fairly well: the Customary Senate with its advisory role, the Provincial Assemblies, and the territory-wide Congress with its collegial government. The latter has not surprisingly had its ups and downs, grinding to a halt for months at a time over sensitive issues such as the flying of one flag or two, exports of nickel to China, and the election of a President amidst profound difference between pro-independence and pro-France supporters. Many of these difficult periods have been resolved ultimately in the fundamental spirit of collegiality. For example, there have been cases of serious loyalist differences in the *Gouvernement* or Cabinet, these being resolved with the support of independence leaders rather than those on their own side. This demonstrates the true spirit of the Noumea Accord.

The economic re-balancing that underpinned the Agreements has also progressed, with huge nickel projects in the Kanak heartland, owned 51% by the mainly Kanak Northern Province government, and in the South at Goro, in addition to the old colonial SLN (*Société le Nickel*) factory that still chugs away on the outskirts of Noumea. Local parties successfully negotiated to receive 34% of nickel revenues from SLN in the sidelines of the Noumea Accord, although the independent parties have been pushing to increase that to over 50%. Returns have waxed and waned along with volatile nickel prices, and that's likely to continue, but the continued operation of all three plants owes much to massive fiscal backing of the French state.

On the negative side, socially there remain serious rifts between the mainly European haves, and the mainly Kanak have-nots. Primarily the Kanak have-nots are young, ill-educated and socially alienated. They seek refuge in music and drugs, and increasingly eschew the authority of traditional elders. Their exclusion from the economic life of the territory is the most shameful failure of the Accords, despite the manifest successes in other areas. It is this disconnect that underpins ongoing violence against middle class Europeans. Recognising this, Prime Minister Philippe on 5 November admitted that 'in concentrating the work of political groups and the [French] State on organising the vote, and generally on institutional questions, economic and social priorities have sometimes been given second place in our discussions notwithstanding the fact that they represent one of

the essential responsibilities of the Matignon and Noumea Accords'. He has put these to the top of the agenda for December's Committee of Signatories meeting.

From all of this I would conclude that the stakes for succeeding in this final stage of the Noumea Accord in New Caledonia are higher than before, but so also are the risks to stability. Independence supporters see this stage as the culmination of their struggle and compromise, as their last chance to either secure independence or further autonomies from France. But many pro-France supporters see the 4 November result of staying with France as the moment of no return, when finally the other side will have to accept what they see as the inevitability of remaining with France. They want to ensure continued French economic support for the territory.

Still, some pro-France leaders want more autonomy, which could provide a basis for possible agreement with independence groups. For all, there is a stronger, more identifiably local economic base, more equally shared, and a more equitable political system, which they want to retain. France, as organiser of the process, has a special challenge. The size of the 2018 independence vote, and the fact it is primarily from indigenous Kanak voters, who are not going to leave and who have regional support, means that the independence supporters must be involved in shaping the future. As one Noumea Accord founder said, any solution *'bâtie contre une très grande majorité des Kanaks serait certainement peu durable'*—any solution constructed against a very large majority of the Kanaks would certainly not last.

This is why France is emphasising dialogue, and why dialogue in my view becomes the main game. The French government had indeed already taken significant steps to pave the way for this dialogue. It appointed longstanding founding Accord negotiators in key positions, not the least the capable and respected Thierry Lataste as High Commissioner. It commissioned a paper to examine the legal consequences of four different options, published in 2013, one being independence, one full integration and the other two, forms of association with France. It sent a *Commission d'écoute*, or listening mission, headed by Accord founding negotiator Alain Christnacht, to New Caledonia over two years to 2016 to listen to all parties, coming up with a statement of areas of convergence and divergence about the future status of New Caledonia.

Apart from the local Congress, the Committee of Signatories to the Noumea Accord has met more or less annually to pilot the implementation of the Accord and recently to focus on the future. And in December 2017 Prime Minister Édouard Philippe created two new committees, a *Comité des Sages*, or of elders, drawn from civil society to advise on the general atmosphere and conditions for the referendum, and a *Groupe de dialogue sur le chemin de l'avenir*, engaging political leaders, to decide and discuss the question and date for the referendum, a common charter of values, and the kind of New Caledonia everyone might eventually agree on for the future.

This dialogue architecture is important because, as President Macron described it when he visited Noumea in May 2018, ‘the time is no longer one of unilateral possession but of continued, necessary, constant discussion... to leave conflict behind and to bring complete peace’. In a sense, the 4 November outcome with its narrower than expected result, 56.4% to 43.6%, may prove the best outcome for future stability.

A reminder of the size of the support for independence, and the fact that it is largely indigenous Kanak in nature, may give pause to any tendency towards triumphalism by loyalists. We can hope that this might be the case, although preliminary statements by some loyalist leaders emphasised their concern to see the 4 November result as definitive, and to head off the Accord provisions for a second and third vote.

For their part, the independence groups now approach the next phase with confidence. They see that their strategy of insisting on a second and third vote in the event of a ‘no’, when negotiating the Noumea Accord; of securing, last year, automatic voting registration for indigenous Kanaks; and mobilising young Kanaks, has been successful. They hope that by 2020 or 2021, and 2022 or 2023, when the next votes will be held, natural population growth, together with further efforts to get the support of those who didn’t vote this time in the islands, will boost their support. In any case their approach is to *jouer le jeu jusqu’au bout*, to play the game to the end, under the Accord. They say they want all three referendums, and will seek bilateral discussions with France if the result remains ‘no’. So while both sides remain bitterly opposed, all are approaching the immediate future with new knowledge about the electoral realities.

What is likely to be the focus of discussions? In a sense the easier things have been done. The simpler powers have been handed over and remain

with New Caledonia. The main areas under the microscope in discussions and trade-offs in dialogue for the future are the truly central and difficult areas of difference:

- the so-called Article 27 powers which the local Congress could have agreed to take on before now, but has been unable to do so (responsibility for media, tertiary education and municipal administration)
- the five remaining core sovereign powers of foreign affairs, defence, currency, law and order, and justice
- the future international status of New Caledonia, with options such as a federated state, a state in association with a bigger state, or integration, as well as whether or not it will seek a seat in the UN
- so-called citizenship issues, basically meaning preserving special voting and employment rights for longstanding residents as opposed to newcomers posted from France or there for short-term contracts
- control over immigration
- control over the nickel sector and revenues
- attending to the needs of Kanak youth, who most agree have been sidelined from the benefits of the Accords and must be given real opportunities to participate in the economic life of the territory.

Finally, the atmosphere for ongoing dialogue will be coloured by provincial elections that are due in May 2019 and will potentially re-shape the political balance, especially if extreme groups on both sides gain support.

## **France**

For France, as well as for New Caledonia, the stakes in a peaceful, collaborative approach to shaping a future New Caledonia beyond the outcome of a simple vote are higher than ever before. The historic turnout of over 80% reflects France's creditable effort to organise a legitimate, fair vote.

Before President Macron's visit to Noumea in May 2018, his administration had been very clear and steadfast in not taking sides as to the outcome of the referendum. This was in stark contrast to every previous President of France who publicly declared their wish that New Caledonia

remained with France. Macron said instead that his focus was on organising a vote that would be widely accepted as valid, both in New Caledonia, the region and internationally.

However, during his May visit, Macron altered his approach. He said the referendum process was one of creating ‘a new sovereignty within a national sovereignty’ and that France would not be the same, it would be ‘less beautiful’ without New Caledonia. He urged peace and an acceptance that life must go on, together, the day after the vote. He then spoke in Gaullist tones about his vision for an Indo-Pacific axis, in which New Caledonia and indeed all the Indian and Pacific Ocean French territories had their part to play (provided they remained French). He saw France as offering its protection, in this case, in a region with a new bogeyman, China, at a time when to quote him ‘The US had turned its back’ on the region, and where France was the last European power resident in the Pacific.

Macron also said that New Caledonia was a model of institutional innovation and collegial consensus, suggesting that France may be prepared to offer more innovation and adjustment in the years to come. He specifically promised further help in economic development, foreshadowing a strengthening of the nickel and tourism sectors and expansion into food production, forestry, and marine exploitation; and support in facing climate change.

In his national speech on 4 November 2018, after the New Caledonia vote was announced, Macron again said the French state was engaged at New Caledonia’s side, drawing on French Republic principles of freedom, equality and fraternity as well as on Pacific values. He again referred to New Caledonia’s future within France, the Pacific and the Indo-Pacific. The emphasis on France’s ability to offer unique security and economic protection is familiar to those of us who saw France time and again over the last sixty years remind its Pacific territories, at critical moments, of the benefits of French tutelage in a threatening world, to hose down independence tendencies. But it also underlines France’s desire to retain New Caledonia against a changed geostrategic backdrop.

Macron’s approach reflects the fact that for France, the interests in retaining New Caledonia are high. A series of strategic reassessments over the past ten years has acknowledged the roles its overseas territories play in underpinning French leadership claims to UN Permanent Security

Council membership, in the post-Brexit European Union, in NATO, and as a strong US ally. France is the world's second-largest maritime-zone power by virtue of its Pacific territories alone, which contribute seven of France's eleven million square kilometres of exclusive economic zone. France gains a seat at Asia-Pacific and Pacific regional tables at a time when the Pacific is overtaking the Atlantic in geostrategic influence. Its Pacific territories are a base for its military presence, scientific and technological research, and the European space program.

New Caledonia is the jewel of French possessions. In 2008, France shifted its Pacific military base from Tahiti to Noumea. And with more than a quarter of the world's nickel reserves and signs that there is petroleum offshore in a zone contiguous with Australia, New Caledonia is France's major mining interest. Moreover, what happens in one French overseas possession affects the others. The referendum process in the years to come will at the least redefine the nature of France's engagement in New Caledonia, no doubt by handing over further responsibilities to local authorities. And France's other overseas territories, including French Polynesia, are watching, poised to claim similar concessions. For example, French Polynesian independence leader Oscar Temaru was in New Caledonia during the referendum campaign, supporting the pro-independence side, along with a delegation from Corsica, where there is a separatist movement.

For these reasons, the French President decided to personally kick off the referendum campaign in May 2018 and to set the tone for the vote. And it's not surprising that when he did, he described a large strategic vision of an Indo-Pacific in which many of its overseas possessions would have their place.

## **The region**

The South Pacific region had a major role in influencing France to change its controversial behaviour there in the 1970s and 1980s. Indeed, major regional institutions such as the Pacific Islands Forum (PIF) and the Melanesian Spearhead Group (MSG) were formed in 1971 and 1986 respectively, specifically in reaction to French policy in the Pacific.

Partly in response to regional pressure, by the end of the 1990s France had ceased its nuclear testing in French Polynesia (1996) and had signed the Matignon/Oudinot (1988) and Noumea Accords (1998), responding to independence party's demands in New Caledonia.

Meanwhile the South Pacific region has itself changed since the early days of decolonisation:

- independent island leaders are increasingly working with other island states around the globe to advance their key interests, including around sustainable development and climate change; France has proved a key new ally given its high-profile support for climate change (in marked contrast to Australia's) since its hosting of the COP21 meeting in 2015;
- within existing regional organisations and structures island countries have increasingly tended to work together without old players like Australia and New Zealand
- at the same time the South Pacific is the target of interest of the major players—relative newcomers—with an interest in bilateral rather than collective regional relationships; these include the EU and now China
- and there are other partners seeking relationships for support in the UN where Pacific island countries' votes add up—these include countries as far afield as Russia, the Arab Emirates, and India.

So the regional island countries have other preoccupations beyond decolonisation issues, and have allowed for the participation of entities that have less than independent status, for example admitting New Caledonia and French Polynesia as full members of the PIF in 2016. But we should not forget that:

- the PIF and the MSG retain a watching role on the implementation of the Noumea Accord— the PIF sent an observer delegation to the 4 November vote
- regional leaders have strong personal connections with independence leaders in New Caledonia and French Polynesia, most of whom have remained the same—Paul Néaoutyine, Charles Washetine, and Rock Wamytan all have links with regional Melanesian leaders, as has Oscar Temaru with some Polynesian leaders
  - and it is worth remembering that as recently as 2016, it was the small island states that secured unanimous UN re-listing of French Polynesia as a non-self-governing territory over France's opposition

- historically, no matter how laid-back we think our Pacific brothers and sisters may be, when their interests are at stake, they act decisively and firmly; this Melanesian characteristic is particularly evident in the strength of the Kanak independence vote on 4 November in NC
- there is a new paradigm in regional self-determination demands, one that did not apply when France negotiated the Matignon and Noumea Accords. The UN Declaration of Indigenous Rights was agreed in 2009, and France has signed on to it. Whatever the result of the referendum in New Caledonia, the special nature of the identity of indigenous peoples with their lands, which goes beyond western property and legal rights, will remain and must always be considered in ongoing political management. In New Caledonia, the Kanaks represent at least 40 per cent of the population. The official figure is 39%, although the exact numbers have been obfuscated, and no doubt understated, by deliberate changes France has made in ethnic definitions in local censuses since 2003. In any case, they are not a small minority. France needs to be watchful that it may win the battle but lose the long-term war in New Caledonia without continued nuanced attention to the interests and demands of the Kanaks.

Against this background, New Caledonia's dialogue and future voting process in the next four to five years will continue to be followed closely by regional neighbours.

## **Australia**

The stakes for Australia in the successful peaceful *dénouement* of the Matignon/Noumea Accords have been and have continued to be very high. New Caledonia occupies a strategic position east of Brisbane, and has shown in the recent past that it is strategically important: during WWII it was the base for the US Pacific campaign, notably in the Coral Sea, which underpins our US alliance to this day. The Accords have meant one less unstable country on our northeast flank at a time of regional geostrategic shifts, and we don't want that stability to be ruffled in any way.

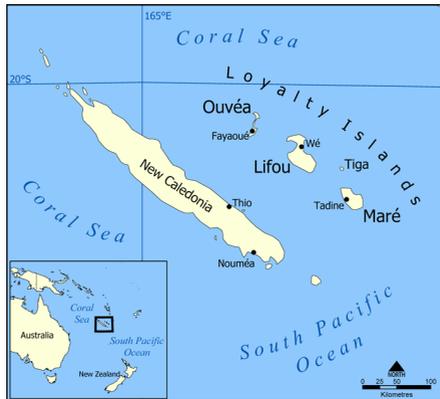
Australia's role, until the full referendum process is played out, i.e. over the next four to five years, remains that of a supportive, interested regional neighbour concerned to see a transparent, legitimate process within a stable, peaceful environment.

In a statement on 5 November, Foreign Minister Marise Payne immediately congratulated New Caledonia on its 4 November act of self-determination, while reaffirming support for Noumea Accord ‘provisions’ for self-determination, an indirect reference to the provision for further votes.

At the same time Australia will want to build stronger links with the one interested, resourced western ally present in the Pacific to ensure its ongoing engagement regardless of the outcome of the process, in coming years. To this extent, Australia would have been pleased with a statement by the French State at the outset of the 4 November referendum campaign, pledging to respect the outcome whatever it might be, and to continue to be involved in New Caledonia by development cooperation in the event of a ‘yes’ to independence.

We should not underrate the importance of our bilateral strategic partnership with France in bolstering France’s argument to the Pacific possessions that it can best guarantee their security and economic development. In acknowledging the important role we play in this, we can and should leverage our relationship to secure French support for our own important national objectives, such as a new trade relationship with the EU and, in the region, more genuine engagement by the French territories—including in more open trade relations with regional neighbours.

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Map of New Caledonia. Wikipedia Commons.