



Expanding into a New Horizon : China in the South Pacific

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ABSTRACT

With the ongoing push and pull for diplomatic influence between the two giants of the world (US & China), the world is now being demarcated into spheres of influence with clear camps forming on both sides. The small island nations of South-West Pacific are no exception to this tug-of-war, situated strategically amidst some of the most important ports and naval passages, these island nations are now becoming an active sphere of influence. This paper explores some of the important events and occurrences in recent times which have signified its growing importance in the new Pacific diplomacy.

Keywords:

Pacific Island Countries, Pacific Diplomacy, Debt-trap diplomacy, USA, China.

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INTRODUCTION AND BACKGROUND

After the end of cold war, even though attention from the South-West Pacific Theatre was shifted for a while, however with China recording a spurring growth rate and extending its sphere of influence, the power play was back on track, mostly with the USA's 'pivot to Asia' policy. Which many scholars believe marked the re-entry of this super power in the region. Ever since, diplomatic tussles and confrontation have become part and parcel of the regional politics. Being of immense strategic importance, the region now stands amidst controversies pertaining both to land as well as the maritime extent. The South Pacific island nations are no exception, though comparatively a new and emerging sphere of influence, this region is now growing traction amongst the previously existing traditional powers as well as a new comer to the region, China.

What started off as a diplomatic tug of war between the PRC (People's Republic Of China) and ROC (Republic of China, Taiwan) during the 1980s to 1990s, primarily driven by its competition for recognition in the UN, has now taken a whole new turn and is seen by scholars as an attempt by China to extend its political and military influence in the region. These allegations at an attempt to influence can be traced to the various policies and infrastructural projects undertaken by the country in the region and has in turn raised serious concerns amongst the previously existing traditional powers of the Pacific (USA, Australia, New Zealand). China's growing ties with the Pacific Island Countries can be studied under the radar of both economic as well as cultural engagements. The formalisation of this connects, with the China- Pacific Island Countries Economic Development and Cooperation Forum in 2006, led to the official entry of China in multiple sectors in these island nations. Often in dire need for financial support, Chinese assistance in the form of soft loans or infrastructure projects is seen to



be well accepted by these countries. This however has led to a skeptical notion, not just amongst politicians but also scholars on the motives being pursued. One such alarming factor was the establishment of a potential military base in Vanuatu, which if formed will hinder coordination between the US and Australian army and act as a wedge between the two. This fear of threat to the 'rules based order' has led to the formulation of new Pacific policies by all three powers.

The region also forming an integral part of USA's Indo-Pacific strategy has now come up with a "Pacific Pledge" under which the economic assistance is attempted to be upscaled by the US mostly by announcing an additional 100 million USD in addition to the 300 million USD annual investment. Australia, on the other hand, has initiated the policy of "Pacific Step Up" and is working with resilience in building a Pacific region, that is secure strategically and stable economically.

New Zealand has followed suit and has initiated the policy of "Pacific - Reset" which has led to the establishment of new diplomatic missions and funds for the PICs. Eventually how helpful these new policies will be in warding off Chinese influence will indeed be interesting to witness.

THE ROLE OF SOUTH PACIFIC ISLANDS IN THE BELT AND ROAD INITIATIVE

Whilst discussing about the growing Chinese presence in these small island nations, the debate often boils down to whether China is engaging in a 'debt trap' diplomacy to gain strategic concessions in this region. Scholars are however divided on this opinion, and while some tend to align with China posing a potential threat with its easy loans and infrastructural projects, others tend not to conform with the same and disregard the threat angle. In an article published by the Lowy Institute, "Ocean of debt? Belt and Road and the debt diplomacy in the Pacific", they have tried to conduct an overall analysis of the "debt diplomacy" angle and have found it to be rather 'nuanced'.



Through its Belt and Road initiative, China has constantly been on the prowl for smaller countries to invest in. And these small Pacific island nations do seem to be easy targets, especially with their need for financial assistance, more than any other. Two major Chinese state owned policy banks, i.e. EXIM and China Development Bank are known to be major financing partners of this project, and have granted substantial amounts of loans to the ones in need. However, the skepticism arises, since these loans do not come in a sustainable form and have been witnessed to lack any institutional structure as compared to the ones granted by the financial institutes such as IMF and World Bank. Whether sustainable or not, these easy loans have found a great deal of acceptance in these countries. Six of these island nations (Papua New Guinea, Tonga, Vanuatu, Kiribati, Cook Islands, Fiji) who remains highly indebted to China have signed the Belt and Road initiative and is considered an exemplifier in itself. These developments, as seen, have induced a great deal of paranoia amongst the traditional Pacific powers, most noticeably in Australia. Once the largest trading partners to the PICs (Pacific Island Countries), has now lost its position and stands next to China. The paranoia indeed seems legitimate, as the region has continued its engagement with China despite the threat of it, trapping these nations for potential strategic gains. What remains interesting is to figure out exactly, what these strategic gains are. With the growing importance of Indo-pacific, and formation of security alliances such as the QUAD, China too is becoming despondent for influence in the Pacific. The Pacific Island Nations, indeed provide a new gateway for influence. Chinese investments are now clearly visible in forms of infrastructures, including real estates. One such alarming incident was the ongoing construction at the Luganville port in Vanuatu, which sent waves of panic in both Australia and the USA. The fear of it becoming another Hambantota, and a probable Chinese naval base is what triggered these nations. Though all of it was later brushed away by both the governments involved, the fear still



looms large of a security threat in the pacific.

In view of strengthening relations between the Pacific Island Countries and China, most recently the third China-Pacific Island Countries Economic Development and Cooperation marked new areas of joint action. Besides the earlier engagements on trade and investments, sectors such as energy, agriculture, forestry, fisheries also found prominence in the discussion. The need for an extended collaboration on the BRI and people to people exchanges were also pushed in the same agenda. Thus further solidifying PRC's intention of making their presence felt in the region and its attempts at becoming a pacific power.

CLIMATE CHANGE AND NEW AREAS OF COOPERATION

Climate change has evidently impacted the world a great deal and more so these small island nations, being on the cusp of extinction by rising levels of the sea, flooding and the severe lack of potable water, the nations have been making constant attempts to draw the attention of the world to these burning issues. However, many times due to a lack of bargaining power, they have met with inattentiveness and dearth of action guaranteed plans.

Further, with the Trump administration withdrawing from the Paris Climate Agreement, which acted as the only binding agreement between countries to take action towards climate change, US has somewhat lost good will amongst the Pacific island nations. Though it is hard to determine whether this absence will make any significant impact on the relations between the aforementioned nations, it does create a vacuum for new powers to come in and play the role of a saviour. China has avowedly talked about upholding the pledge of United Nations Framework Convention on Climate Change (UNFCCC) and by virtue of the South-South cooperation, has made significant amount of grants to the region to tackle the issues of climate change.



In the third China-Pacific Island Countries Economic Development and Cooperation, assurances were made to cooperate on matters of climate. In an article published by the UNDP, "China's South-South Cooperation with Pacific island Countries in the Context of the 2030 Agenda for Sustainable Development", some key areas for engagement and cooperation between China and the Pacific island nations were highlighted. These highlighted areas include, Climate Knowledge Mainstreaming, Water Resources, Coastal Zone engagement.

The report also talks about already existing areas of engagement, in which China has helped these countries with their respective climate change adaptation projects. Help in the form of hydropower projects, coastal defence walls, ecological farming, bio-gas technologies are already in place as part of bilateral engagements with respective governments. China has relentlessly acted as a reliable partner, showing their constant presence in times of need, further strengthening their position in the region. Most often this has acted in their favour, even for diplomatic gains.

Solomon Islands which earlier had ties with Taiwan, downgraded its relation with the country and instead, formalised ties with PRC, citing reasons of reliability on the part of China. Instances such as this provide us with glimpses of a probable future, wherein China shall continue with its investments in the region and in turn carry on to exert more influence. Predictions on what this influence would entail, has most often been on the grounds of a potential security threat. Most importantly, with a growing acceptance of Chinese assistance in these island nations, the traditional Pacific powers are now more alarmed than ever.

CONCLUSION

Though small in terms of the geographical area and population, the Pacific island nations are now garnering a lot of attention due to their strategic positioning. They are



now emerging as a new area of influence and a place for old and new powers alike to showcase their authority and power. Often in dire need of external assistance, these island nations are more or less compelled to accept help in whichever form and whatever avenue appears to be most accessible and beneficial. As these islands are very small in number, they often lack bargaining power in the international organisations and forums, as a result of which they are forced to align with other nations in order to put forth their cause. Some of these island nations are now buried in debt, owing to their acceptance of financial assistance from countries like China. Consequently, their decisions pertaining to diplomatic ties often end up being influenced. One such instance of external influence is the 'Compact of Free Association' (COFA) that has been in place since 1986 between the U.S. and three pacific island nations, namely the Federated States of Micronesia, Republic of the Marshall Islands and the Republic of Palau. By the virtue of this pact, the U.S. has been actively operating naval bases in these are-as and exerts tremendous influence on the internal politics of these countries. During the month of October 2021, China and Russia conducted a first of its kind naval patrol in the waters of West Pacific, Sea of Japan and East China Sea. The naval ship formations included 10 warships and 6 carrier based helicopters conducting exercises over joint-sailing, manoeuvres and fire-drills. At the behest of this 'New Cold War', what would be intriguing is to witness whether these new and old engagements would bring in development for the region or shall end up damaging it further.

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