

Original article. Historical science

UDC 94:327(5)

DOI: 10.31696/2072-8271-2022-1-1-54-066-074

THE PACIFIC ISLAND COUNTRIES IN CHINA'S CURRENT POLICY

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Abstract: The paper examines the dynamics in relations between the People's Republic of China (PRC) and the South Pacific small island states collectively referred to as Pacific island countries (PICs). The specificity of current China's policy is revealed, the reasons for concern from the PIC perspective are outlined, the aftereffects of the on-going political and security initiatives – the Indo-Pacific Region, the Quadrilateral Security Dialogue (Quad) and the pact between Australia, the US and the United Kingdom (AUKUS) – on the regional milieu and the PICs are scrutinized. The author argues that although selected aspects of China's policy is encountering criticism across the region, Beijing outperforms Canberra and Washington. The main reason is predetermined by China's ability to address the PICs non-traditional security concerns and infrastructure needs, while the policies of Australia and the US are deteriorating the regional milieu, much to the PIC's disadvantage.

Keywords: South Pacific region, Australia, China, the US, Pacific Island Countries, Belt and Road Initiative, Indo-Pacific Region, Quadrilateral Security Dialogue, AUKUS

For citation: Gorbatko A.A. The Pacific Island Countries in China's Current Policy. *Yugo-Vostochnaya Aziya: aktual'nyye problemy razvitiya*, 2022, T. 1, № 1 (54). Pp. 66–74. DOI: 10.31696/2072-8271-2022-1-1-54-066-074

Научная статья. Исторические науки

МАЛЫЕ ОСТРОВНЫЕ ГОСУДАРСТВА ЮТР В СОВРЕМЕННОЙ ПОЛИТИКЕ КИТАЯ

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Аннотация: В статье рассматривается динамика отношений между Китайской Народной Республикой (КНР) и малыми островами Южно-Тихоокеанского региона (ЮТР). Выявлена специфика китайской

политики на современном этапе, определены причины обеспокоенности этой политикой со стороны малых стран ЮТР, проанализировано влияние инициатив в сфере политики и безопасности – Индо-Тихоокеанский регион, Четырехсторонний оборонный формат и договор между Австралией, США и Великобританией (AUKUS) на обстановку в регионе и расположенные там островные государства. С точки зрения автора, хотя отдельные аспекты политики Китая оцениваются в регионе критически, она превосходит по эффективности австралийскую и американскую. Основная причина такова, что Китай смог откликнуться на запрос малых стран ЮТР на противодействие нетрадиционным угрозам безопасности и строительство инфраструктуры, в то время, как политика Австралии и США ведут к ухудшению региональной среды, что напрямую противоречит интересам малых государств.

Ключевые слова: Южно-Тихоокеанский регион, Австралия, Китай, США, островные государства ЮТР, Инициатива «Пояс и Путь», Индо-Тихоокеанский регион, Четырехсторонний оборонный формат, пакт AUKUS

Для цитирования: Горбатко А.А. Малые островные государства ЮТР в современной политике Китая // Юго-Восточная Азия: актуальные проблемы развития, 2022, Том 1, № 1 (54). С. 66-74. DOI: 10.31696/2072-8271-2022-1-1-54-066-074

During the XXth century, the geographically extensive South Pacific region, due to its economic underdevelopment and small population size, remained on the periphery of global development. However, the recent shifts in the political milieu across the Indian Ocean and the Pacific Ocean have brought the region closer to global politics. The aftereffects are important for the Pacific island countries (hereafter – PICs) that have traditionally been within the spheres of influence of influential extra-regional actors.

At present, the PICs are encountering multiple traditional and non-traditional security threats, ranging from climate change to transnational crime. As a result, those states remain highly dependent on aid and suffer from a unique set of developmental challenges.

Since the discourse on maritime security and the “Free and Open Indo-Pacific” (FOIP) concept appeared, the US regional and global strategic network has been expanded. Now it includes the Quadrilateral Security Dialogue (Quad) and a new alliance between Australia, the United Kingdom and the United States (AUKUS.) A noticeable aftereffect of the FOIP accounts for the emergence of the SLOCs issue in the South Pacific, influenced on by the situation across the Asia-Pacific region.

In response, China is undertaking countermeasures aimed to counter the US influence in the South Pacific. Although relatively effective to date, this policy has produced strong responses from the US and Australia, to the disadvantage of South Pacific small island states.

China's Footprint in the South Pacific Region

China's emergence in the South Pacific region is not a new phenomenon. The PRC has been interested in Oceania since 1960s, when it started to develop cooperation with Papua New Guinea (PNG), Solomon Islands, New Caledonia, Vanuatu and Fiji in the field of resource exploration. Simultaneously, China has used foreign aid as an instrument to strengthen dialogue with those states in exchange for much-needed natural resources.

From an institutional perspective, in 2006, China established the China-Pacific Islands Countries Economic Development and Cooperation Forum. The PRC primarily aims to obtain the votes of thirteen micro-UN member states on the Taiwan issue. This takes place in parallel with regular meetings of the Pacific Islands Forum, where China has been a dialogue partner since 1990.

After Australia and New Zealand imposed sanctions on Fiji following the military coup in 2006, the PRC began to carve out the niche of Fiji's economic and security provider. On signing a Memorandum of Agreement with the Fijian government, the PRC committed FJD \$1.462 million for the 2006 general election¹. The Fijian leaders welcomed the assistance from the Chinese government, especially after a temporary suspension of Fiji's membership from the PIF in 2009. China offered Fiji assistance, as well as the defense of its maritime borders. In addition, the PRC offered its services to other South Pacific states – Papua New Guinea, Solomon Islands, Samoa, Cook Islands, Tonga, and Vanuatu – that had traditionally relied on assistance from the US, Australia, France and New Zealand.

In November 2014, Xi Jinping announced numerous initiatives to increase the PRC's engagement with the South Pacific countries, as well as signed five agreements to strengthen defence and economic ties between China and Fiji. During his visit to Fiji, Xi also met with the leaders of Papua New Guinea, Tonga, Samoa, Vanuatu, Micronesia, Cook Islands and Niue².

Although the South Pacific region is geographically distant from China's borders, the PRC's assistance was increasing for much of the 2010s. This ranked Beijing the second-largest donor, behind only Canberra. In 2017, for instance, the South Pacific saw a boom in investment from the PRC; it accounted for US\$4bn and overtook Australia³. In contrast, aid to

the region from the traditional donors was in decline, having shrunk by 20% between 2011 and 2016⁴. This was accompanied by the emerging PIC's participation in China's mega-strategy the Belt and Road Initiative (BRI). Fijian Prime Minister Frank Bainimarama attended the first Belt and Road Forum in 2017⁵, Papua New Guinea's Prime Minister Peter O'Neill joined the second Forum⁶. At the same time, although the Pacific island countries welcomed China's extensive economic contribution to the region, concerns about Beijing's motives behind the provided development assistance were growing.

At the 3rd China-Pacific Island Countries Economic Development and Cooperation Forum in Samoa, Vice-Premier Hu Chunhua stressed that China and the PICs had reached a consensus on deepening strategic coordination and advancing mutually-beneficial economic and trade cooperation under the BRI. On October 21, 2019, the leaders signed the "China-Pacific Island Countries Program of Action on Economic Development and Cooperation"⁷, outlining the expansion of trade and investment in sectors like agriculture, forestry, fishery, infrastructure, energy, resources, tourism and "South-South Cooperation" as top priorities⁸. The parties shared the view that sustainable development, premised on innovations, green development, coordination and collective efforts of China and Pacific island states to realize the "2030 Sustainable Development Agenda"⁹, the "Pacific Roadmap for Sustainable Development"¹⁰ and the "2050 Strategy for the Blue Pacific Continent"¹¹, is the only option to respond to regional challenges.

Growing aid, trade, and diplomatic outreach remains a dominant narrative in the PRC's public debate about China's expanding positions in the South Pacific. It brings both challenges and opportunities for the Pacific Islands Forum, whose countries seek for financial support.

The PRC responds to these expectations. The third White Paper "China's International Development Cooperation in the New Era" ("新时代的中国国际发展合作")¹², released by the State Council Information Office of the PRC in January 2021, outlined the present specificity and future prospects of the Chinese aid, as well as its potential impact on the international aid system and international development¹. The PRC positions itself as the world's largest emerging donor and emphasizes that the nature of the "South-South Cooperation" is essentially different from "North-South Cooperation". China is portrayed not only as a rising power, is also

¹ "International development cooperation" refers to China's bilateral and multilateral efforts, within the framework of "South-South Cooperation", to promote economic and social development through foreign aid, humanitarian assistance, and other means.

as a “staunch supporter” of developing countries. In practical terms, the Chinese aid differs from the official development assistance of the traditional aid donors many aspects. Mostly, the aid is delivered in the form of projects rather than programs¹³.

Arguably, the PRC’s policy is beneficial to the South Pacific small island states. Moreover, their concerns over environmental threats posed by the climate change and the rising sea level give Beijing an advantage, especially as long as Australia and the US prioritize traditional great power competition with China. This resonates with Washington’s inconsistent policy on the climate change and Canberra’s emphasis on developing its coal industry. In those circumstances, the Chinese foreign aid becomes an effective instrument of the PRC’s policy in the region, shaping its dynamics and evolution.

The Region and China: Reasons for Concern and Responses

China’s outreach to the Pacific island states, its growing aid and trade volumes, as well as its intention to establish military bases, generate apprehensions about the PRC’s rising influence in the region. With the expansion of the “Free and Open Indo-Pacific region” narrative and Australia’s involvement as Washington’s ally in a multi-layered containment strategy aimed to contain China, Canberra’s defence cooperation with the Pacific countries is seen as balancing China. According to the recent data provided by the Stockholm International Peace Research Institute (SIPRI), Australia increased its military spending and became the 4th world’s biggest arms importer from 2017 until 2021, ahead of China¹⁴. A pronounced military component is evident in the activities of the Australian government, exemplified by increased rotational deployments of ships and aircrafts as part of the “Pacific Maritime Security Program”¹⁵, as well as in the upgrade of regional bases, for instance, Manus Island in Papua New Guinea and Black Rock in Fiji¹⁶. In this regard, the shifting emphasis in the recent media commentaries from “acknowledgement of the cooperation with China” to “debt traps”, “military bases in Oceania” and “worst-case scenarios” is revealing.

China’s potential military base in Vanuatu, less than 2000 kilometres from the Australian coast, and the security deal with Solomon Islands signed in April demonstrate that China stakes upon not only economic instruments. The PRC’s policy is visibly becoming a major game-changer for the South Pacific region.

The 21st Century Maritime Silk Road that prioritizes trans-national infrastructure projects exemplifies China's objectives in the South Pacific region. The PICs are important as strategic and supply hubs. As many undersea cables run through the South Pacific, the region is vital for the BRI implementation. In addition, those states can play an important role in the PRC's offshore defense strategy forming part of the second island chain. Finally yet importantly, the PICs serve as strategic locations for the PRC's expeditions to the Antarctic waters.

Concerns about the PRC's growing power are prompting Washington and its Pacific allies to resort to increasing allocations on security needs and develop military capabilities. The Australian Government approved the "2020 Defence Strategic Update"¹⁷ and "2020 Force Structure Plan"¹⁸. It announced to provide \$575 billion for defence and equipment spending over the coming decade, 28% of which is directed to the priorities of the Navy, 24% – to the Air Forces, 20% - to the Land Forces, 11% – to enterprise infrastructure and estate, and the remaining part for other priorities¹⁹. Canberra plans to develop significant maritime capabilities, increase its presence in the South Pacific. The "2020 Force Structure Plan" allocates approximately \$75 billion²⁰. In addition, the Australian government is going to update the "Naval Shipbuilding Plan" by the end of the year. The released documents are markedly different from key provisions outlined in the "2016 Defence White Paper"²¹.

Since the establishment of the alliance between Australia, the United Kingdom and the United States (AUKUS) on September 15, 2021, the parties have taken steps toward an upgrade of Australia's submarine capability. The parties launched Joint Steering Group meetings on nuclear-powered submarines and seventeen Working Groups. S.Morrison announced that Canberra had already identified a future submarine base area that would operate in synergy with the existing submarine base in Western Australia, while the Osborne North Shipyard would provide additional services²².

On entering into force on February 8, 2022, the "Exchange of Naval Nuclear Propulsion Information Agreement"²³ allowed the three countries to facilitate information sharing in technological fields²⁴.

The AUKUS participants have scheduled trials for 2023 as part of the "AUKUS Undersea Robotics Autonomous Systems project", increased investment in innovation and agreed to start trilateral cooperation across many sectors, including quantum technologies, artificial intelligence, hypersonic and counter-hypersonic capabilities²⁵. The latter was supported by Japan, the Quadrilateral Security Dialogue strategic partner of Washington

and Canberra, which aims to cooperate with the US on emerging defense technologies²⁶. Plans to sign an agreement between Japan and Australia, which “will underpin greater and more complex practical engagement between the Australian Defense Force and the Japanese Self-Defense Forces”, are also in progress²⁷.

Although the main priority of AUKUS is to equip Australia with nuclear-powered submarines, the trilateral partnership may soon be synergized with the Quad, as their agendas overlap. In the US-led alliance system, the quasi-alliance between Australia and Japan with a focus on the bilateral security cooperation can contribute to Washington’s aims to challenge China in the Indian Ocean and the Pacific Ocean. The “Japan–Australia Reciprocal Access Agreement”²⁸, signed on January 6, 2022, and “Japan – UK Joint Declaration on Security Cooperation”²⁹, signed on August 21, 2017, are potential links between Japan and AUKUS. These agreements are strategically important for developing Indo-Pacific multilateralism in the increasingly deteriorating milieu. At the same time, the dynamics of military expenditure demonstrates that countries do not rely on diplomatic and political instruments alone.

In sum, the situation in the South Pacific region becomes increasingly complicated. No matter who is right and who is wrong, the big powers’ policies result in a rise of uncertainty across the region, to the disadvantage of South Pacific small island states.

Conclusion

The unfolding geopolitical competition in the South Pacific between China and the US and its allies and partners is a hot topic in the regional politics. Since China is intensifying its policy in the South Pacific region under the BRI framework, the South Pacific small island states have to appease simultaneously its traditional partners, mostly, Canberra and Washington, and Beijing. If so, the South Pacific small island states are growing increasingly vulnerable, since the regional milieu is being quickly politicized.

At the same time, Canberra’s and Washington’s steps in the South Pacific region aim to counter China’s initiatives to a more considerable extent than to address the PICs critical needs. Arguably, as the initiatives Indo-Pacific Region, Quad and AUKUS further develop, the imbalance between PICs expectations and the policies of big powers will be broadening.

In contrast, China’s emphasis on the infrastructure construction in the South Pacific small island states is highly appreciated across the region. The more so since China stresses the non-political dimension of its policy,

specifically, its reluctance to interfere in the internal affairs of its partners. In light of this, the spectrum of China's policy in the South Pacific is broadening, although slowly, but steadily.

ИНФОРМАЦИЯ ОБ АВТОРЕ

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Статья поступила в редакцию 03.05.2022;
одобрена после рецензирования 14.05.2022;
принята к публикации 27.05.2022.

The article was submitted 03.05.2022;
approved 14.05.2022;
accepted to publication 27.05.2022.

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