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**BACK ON THE MAP:  
PACIFIC ISLANDS IN A NEW ERA OF  
STRATEGIC COMPETITION**

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# Back on the Map: Pacific Islands in a New Era of Strategic Competition

The past 12 months have seen a veritable frenzy of diplomatic activity in the Pacific Ocean. Traditional powers and new friends alike have intensified their courtship of Pacific island administrations: Australia announced a ‘step up’ in its engagement with island states<sup>1</sup>; New Zealand pledged a dramatic bump in aid to the region as part of a ‘Pacific re-set’<sup>2</sup>; Japanese Prime Minister Shinzo Abe met with island leaders to win support for a ‘Free and Open Indo Pacific’ Strategy<sup>3</sup>; French President Emanuel Macron travelled to the region to declare support for the ‘Blue Pacific’<sup>4</sup>; even the UK announced it was diving back into the region, with three new diplomatic posts to be opened in Pacific island countries<sup>5</sup>.

What are we to make of all this diplomatic activity? There is little doubt that geostrategic competition has returned to the Pacific Ocean. The distribution of power in the world is changing. Perhaps most importantly, rapid economic growth in China has seen an expansion of that country’s power and influence. The Chinese-funded ‘Belt and Road’ infrastructure project, and the establishment of a new Chinese-initiated multilateral bank, have been accompanied by speculation China will seek a greater say in regional and global affairs. In response, traditional powers on the Pacific-rim are looking to shore up commitment to the rules and norms of the existing international order, and are hoping to enlist Pacific island states in that effort. Competition between the United States and China (and dramatic points of contention, such as the debate over territorial claims in the South China Sea) form a backdrop to this renewed interest in the Pacific islands.

## Pacific islands and regional order in the ‘Indo Pacific’

In this new era of geostrategic competition Pacific island states find themselves repositioned as part of a broader ‘Indo-Pacific’ region. This label, increasingly used by strategic thinkers on the Pacific-rim in place of the term ‘Asia-Pacific’, alludes to a recast role for maritime democracies in the Indian and Pacific Oceans. In this framing of the region, the so-called Quadrilateral powers – Australia, India, Japan and the United States – are working together to maintain ‘balance’ in the

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<sup>1</sup>James Batley, ‘Keep calm and Step Up: The White Paper’s message on the Pacific’, *The Interpreter*. November 27, 2017. Accessed at: [www.lowyinstitute.org/the-interpreter/keep-calm-and-step-white-paper-message-pacific](http://www.lowyinstitute.org/the-interpreter/keep-calm-and-step-white-paper-message-pacific) Accessed 6 June 2018.

<sup>2</sup>Radio New Zealand International. ‘\$714m to be pumped into govt’s ‘Pacific reset’ plan’. Accessed at: <https://www.radionz.co.nz/news/political/356903/714m-to-be-pumped-into-govt-s-pacific-reset-plan%20Accessed%206%20June%202018> Accessed on June 6 2018.

<sup>3</sup> See: Bill Jaynes, ‘Pacific Islands Leaders reach compromise for PALM 8 Leaders Declaration’, *The Kaselehlle Press*. Pohnpei Accessed at: [www.kpress.info/index.php?option=com\\_content&view=article&id=994:pacific-islands-leaders-issue-hard-won-palm8-leaders-declaration&catid=8&Itemid=103](http://www.kpress.info/index.php?option=com_content&view=article&id=994:pacific-islands-leaders-issue-hard-won-palm8-leaders-declaration&catid=8&Itemid=103) Accessed on June 6 2018.

<sup>4</sup> Nic Maclellan, ‘French colonialism in the Blue Pacific: France holds on to its island pearls’, *Asia and the Pacific Policy Society*. Australian National University, Canberra (2018).

<sup>5</sup>Tess Newton-Cain and Anna Powles, 2018. ‘A Pivotal Moment? The UK Signals Re-Engagement with the Pacific’, *Incline*. April 22, 2018. Victoria University, Wellington. Accessed at: [www.incline.org.nz/home/a-pivotal-moment-the-uk-signals-re-engagement-with-the-pacific](http://www.incline.org.nz/home/a-pivotal-moment-the-uk-signals-re-engagement-with-the-pacific) Accessed on June 6 2018.

regional order and to bed-down commitment to the ‘principles and values on which the regional order should be based’<sup>6</sup>.

It is in this context that Pacific island leaders have been asked to endorse new frameworks for multilateral cooperation. In May this year for example, island leaders met with Japanese Prime Minister Shinzo Abe and were asked to endorse Japan’s vision for a ‘Free and Open Indo-Pacific’. This concept, which has also been embraced by the Trump administration in Washington, doubles-down on key elements of the existing regional order, particularly those that are seen to be threatened by a more powerful China. Most obviously, both the US and Japan contend that an ‘open’ Indo-Pacific order is marked by freedom of navigation and overflight, a clear pushback to Chinese attempts to restrict those freedoms in the South China Sea.<sup>7</sup>

The US also emphasises that a ‘free’ Indo-Pacific is one that is ‘free from coercion’. It is in this vein that State Department officials argue Chinese loans for infrastructure development in the Pacific islands should not leave island nations saddled with debt that might provide Beijing with undue leverage over island administrations.<sup>8</sup> Concern about the potential for China to use ‘debt-book diplomacy’ to get its way in the region reached fever pitch in April, when reports emerged that China might attempt to convert debt incurred by Vanuatu into a South Pacific naval base.<sup>9</sup>

Pacific island officials are considering a new regional security declaration, to be endorsed by island leaders and their Australian and New Zealand counterparts, at the annual Pacific Islands Forum meeting in August. The proposed ‘Biketawa-Plus’ declaration – which builds on the experience of a decade long Australian-led regional intervention in the Solomon Islands – is intended to provide a ‘foundation for strategic future regional responses’.<sup>10</sup> It also aims to renew commitment to guiding principles of the rules-based international order, particularly the right of Pacific islands to pursue their interests ‘free of coercion or interference’.

### **A new emphasis on Pacific Ocean security**

Renewed diplomatic engagement with island administrations is increasingly accompanied by a harder security edge. To support and complement the Biketawa Plus security declaration for example, Canberra will establish a new Australia Pacific Security College to provide training for Pacific military and security officials.<sup>11</sup>

Both Australia and Japan have also announced greater support for island governments to monitor their maritime domains. Australia has made the biggest play, launching a new \$2 billion Pacific

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<sup>6</sup> Australian Government, *2017 Australian Foreign Policy White Paper: Opportunity, Security, Strength*. Department of Foreign Affairs and Trade, Canberra (2017): 26.

<sup>7</sup> United States of America State Department, ‘Briefing on the Indo-Pacific Strategy’, (Washington, Department of State 2018): Accessed at <https://www.state.gov/r/pa/prs/ps/2018/04/280134.htm> Accessed on June 6, 2018.

<sup>8</sup> See comments from US Deputy Assistant Secretary for Australia, New Zealand and the Pacific Islands, Matthew J. Matthews. Radio New Zealand, ‘Aid shouldn’t leave Pacific Islands saddled with debt – USA’. May 22, 2018. Accessed at: [www.radionz.co.nz/international/pacific-news/357901/aid-shouldn-t-leave-pacific-islands-saddled-with-debt-usa](http://www.radionz.co.nz/international/pacific-news/357901/aid-shouldn-t-leave-pacific-islands-saddled-with-debt-usa) Accessed on: June 6, 2018

<sup>9</sup> David Wroe, ‘China eyes Vanuatu military base in plan with global ramifications’, *Sydney Morning Herald*. April 9, 2018.

<sup>10</sup> Pacific Islands Forum Secretariat. *Forum Communique*. Forty-Eighth Pacific Islands Forum. Apia, Samoa. 5-8 September 2017. (Pacific Islands Forum Secretariat, Suva): 6.

<sup>11</sup> Australian Government, *2017 Australian Foreign Policy White Paper: Opportunity, Security, Strength*. Department of Foreign Affairs and Trade, Canberra (2017): 103.

Maritime Security Program - which encompasses aerial surveillance across the Central and Western Pacific Ocean - and will donate 21 new military patrol boats to Pacific island states.<sup>12</sup> In a sign of increasing military cooperation, US Marines will be embedded on Australia's largest warship as part of operation 'Indo-Pacific Endeavour 2018'.<sup>13</sup> A taskforce of Australian naval vessels will visit four Pacific island nations in June and July.

Canberra's 'island pivot' over the past 12 months has extended to the cyber domain as well.<sup>14</sup> Concerned about the security implications of Chinese companies delivering telecommunications infrastructure to island governments, Australia opted to pay for seafloor internet cables from its aid budget instead.<sup>15</sup> New cables will be built linking Sydney with the Solomon Islands and Papua New Guinea. Australia has also launched a 'Pacific Cyber Security Operational Network', which held its inaugural meeting in Brisbane in May.

The renewed emphasis on security issues in the engagement with Pacific island countries reveals a truism of international relations in the region: island countries matter most to powers on the Pacific-rim as a source of potential threat (however distant that threat might be).<sup>16</sup> Too often, Pacific islands are considered to be pawns on a geostrategic chessboard. Their value in international affairs is understood in terms of their usefulness to larger states wishing to project power across the ocean (as 'stationary aircraft carriers' or strategic naval ports), or to deny other states doing likewise.

For traditional powers, this threat narrative has driven a long pre-occupation with limiting access to the Pacific islands by other, potentially hostile, states.<sup>17</sup> As early as 1788, when the British first established a penal colony on the Pacific-rim, which later became the city of Sydney, Admiral Arthur Phillip dispatched a naval party to Norfolk Island to deny the (then-unpopulated) island to the French, who were increasingly showing an interest in the Pacific Ocean.

Denial of access has framed narratives of engagement with the Pacific islands ever since. In the 1980s, at the height of Cold War paranoia, the Soviet Union was considered the key threat. Stirred up by a fisheries agreement between Kiribati and the Soviet Union, Australian politicians were convinced that the Soviets were looking to establish a naval base in the South Pacific. Australia's strategic denial policy aimed to deter island countries from having any relationship with Moscow whatsoever. Today, in response to rumours China has designs for a military base in Vanuatu (rumours vehemently denied by the Vanuatu government), Australian Prime Minister Malcolm

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<sup>12</sup> Australian Government. 'Commencement of aerial surveillance – Pacific Maritime Security Security Program'. *Press Release*. January 28, 2018. (Department of Defence, Canberra).

<sup>13</sup> Andrew Greene. 'US marines to join Australian warships deployed in the Pacific as anxiety over China grows'. *ABC News Online*, May 5, 2018. (Australian Broadcasting Corporation, Sydney). Available at: <http://www.abc.net.au/news/2018-05-04/us-marines-join-australian-warship-pacific-china-anxiety-grows/9729652>. Accessed on: June 6, 2018.

<sup>14</sup> For an overview see: Jonathon Pearlman. 'Australia's island pivot', May 9, 2018. *Australian Foreign Affairs – Weekly*. (Schwartz Publishing, Melbourne). Available at: <https://www.australianforeignaffairs.com/afaweekly/australias-island-pivot>. Accessed on: June 6, 2018.

<sup>15</sup> Fumi Matsumoto. 'China-Australia friction intensifies deep in the South Pacific: Tug of war over submarine internet cables carries high security stakes', *Nikkei Asian Review*. May 29, 2018. Accessed at: <https://asia.nikkei.com/Spotlight/Asia-Insight/China-Australia-friction-intensifies-deep-in-the-South-Pacific>. Accessed on: June 6, 2018.

<sup>16</sup> For discussion see: Joanne Wallis. 'Australia needs to reset its Pacific policy', *East Asia Forum*. June 1, 2017. (Australian National University, Canberra).

<sup>17</sup> See: Merze Tate. 'The Australasian Monroe Doctrine', *Political Science Quarterly*. 76:2 (1961) 264-284.

Turnbull warns that a military base in the South Pacific would be viewed with ‘great concern’<sup>18</sup>. It would appear that the era of ‘strategic denial’ has returned.

### **Pacific islands on the global stage: Shaping multilateral cooperation**

Of course the more-nuanced reality is Pacific islands are not simply pawns in the great game of geopolitics. The vast Pacific Ocean is home to diverse peoples who have their own way of life, their own values, and their own world views. In the 21<sup>st</sup> Century, Pacific island countries are significant political actors in their own right. As custodians of a huge swathe of the world’s ocean, island states have exclusive economic control of significant marine resources, most notably the world’s largest tuna fishery. They also control access to seabed minerals that are sought after by many.

In recent times island states have embraced a more independent role in multilateral diplomacy.<sup>19</sup> Collectively, they make up a significant bloc at the UN, and are shaping initiatives that have implications for all of humanity. For decades, island leaders have led global efforts to tackle climate change. Fiji is currently president of climate talks at the UN. Former US president Barack Obama, himself an ‘island boy’,<sup>20</sup> correctly pointed out that we would not have gotten the Paris Agreement without the hard work of Pacific island diplomats.<sup>21</sup> Likewise, Pacific island countries are demanding action to protect the world’s oceans. In 2017 the first UN conference on Oceans was co-hosted by Fiji and Sweden. The current UN Special Envoy on Oceans is Fijian Ambassador Peter Thomson.

Gone are the days where Pacific island countries can be expected to line up to support the West. As Anna Naupa points out, island governments are perfectly capable of navigating the shifting geopolitics of the Indo-Pacific, and working with others to assert themselves on key issues like climate change and oceans governance.<sup>22</sup> Powers on the Pacific-rim clearly expect island countries to re-affirm their commitment to the rules-based international order. However, as Nic Maclellan and Joanne Wallis have both recently argued, they need to pay more attention to the ways that those rules do – or more importantly do not – serve the interests of Pacific island countries.<sup>23</sup> Australia, New Zealand and the European Union have spent two decades trying to convince island governments to sign on to multilateral rules regarding trade and investment. These efforts have had limited success.<sup>24</sup> Most island states remain outside the World Trade Organisation. Island capitals continue to argue the global trade regime, and regional trade agreements, must better

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<sup>18</sup> Pacific Beat, ‘Chinese military base in Pacific would be of ‘great concern’, Turnbull tells Vanuatu’, *ABC News Online*. (Australian Broadcasting Corporation, Sydney). Available at: <http://www.abc.net.au/news/2018-04-10/china-military-base-in-vanuatu-report-of-concern-turnbull-says/9635742> Accessed on: June 6, 2018.

<sup>19</sup> For discussion of recent Pacific diplomacy see: Greg Fry, Sandra Tarte (eds.) 2016. *The New Pacific Diplomacy*. (Australian National University Press, Canberra).

<sup>20</sup> Justin Worland. ‘Obama says he’s an “Island Boy” in Climate Meeting with Small Island Leaders’, *TIME Magazine*. December 1, 2015. Accessed at: <http://time.com/4130631/obama-climate-change-island-states/>. Accessed on: June 6, 2018.

<sup>21</sup> See: Australian Broadcasting Corporation. ‘Obama praises efforts by Pacific leaders in tackling climate change’. *ABC Radio Australia*. September 1, 2016. Accessed at: <http://www.abc.net.au/radio-australia/programs/pacificbeat/obama-praises-efforts-by-pacific-leaders-in/7806366> Accessed on: June 6, 2018.

<sup>22</sup> Anna Naupa, ‘Indo-Pacific Diplomacy: A view from the Pacific islands’, *Politics and Policy* 45:5 (2017): 902-917.

<sup>23</sup> See: Nic Maclellan, ‘A Pacific community will require policy change’, *The Strategist*. February 7, 2018. (Australian Strategic Policy Institute, Canberra); and, Joanne Wallis, ‘Is China changing the “rules” in the Pacific Islands?’ *The Strategist*. April 11, 2018. (Australian Strategic Policy Institute, Canberra)

<sup>24</sup> Matthew Dornan, ‘PACER Plus is not much to celebrate’, *East Asia Forum*. June 2, 2017. (Australian National University, Canberra).

account for the unique features of Pacific island economies; arguments which have so far fallen on deaf ears in Canberra, Wellington and Brussels.<sup>25</sup>

### Climate change: A growing security threat

Likewise, if 'Indo-Pacific' powers expect Pacific island countries to nominate them as security partners of first choice they must take the security interests of Pacific islands seriously. This calls for an expanded concept of security; one which takes into account human security and environmental security. Time and again island leaders have declared climate change to be 'the greatest threat to the livelihoods, security and well-being of the peoples of the Pacific'<sup>26</sup>. They lobbied to have climate change considered at the UN Security Council. And well might they be concerned. Over the past three years, Fiji, Tonga and Vanuatu have been decimated by monster cyclones that have left their economies in tatters. Cyclone Pam compromised the livelihoods of 'at least 80 percent of Vanuatu's rural population' and the country lost 64% of its annual GDP.<sup>27</sup> In Fiji, Cyclone Winston left 30,000 homes, 500 schools, and 90 health clinics damaged or destroyed.<sup>28</sup> These storms are a window on the future for Pacific island countries. In a warmer and wetter world, more severe cyclones will be spawned across the Pacific Ocean far more often.<sup>29</sup> Climate threats are manifold. Research from the US military suggests hundreds of low-lying islands will be rendered uninhabitable from as early as mid-century, as sea level rise contaminates drinking water.<sup>30</sup> Coral reefs are expected to be decimated by coral bleaching.<sup>31</sup> Fish stocks will be severely undermined.<sup>32</sup>

Despite the clear security threat to island states, there is little to suggest Pacific-rim powers are genuinely interested in tackling climate change: the US has withdrawn from the Paris climate treaty; Australia is the world's largest coal exporter and is subsidising an *increase* in coal and gas exports.<sup>33</sup> Both Australia and Japan are promoting coal-fired power plants across the 'Indo-Pacific', a move that threatens to put the goals of the Paris Agreement out of reach.<sup>34</sup> Damningly,

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<sup>25</sup> Wesley Morgan, 'Much Lost, Little Gained: Contemporary Trade Agreements in the Pacific Islands', *Journal of Pacific History*. (2018) DOI: [10.1080/00223344.2018.1475832](https://doi.org/10.1080/00223344.2018.1475832)

<sup>26</sup> Pacific Islands Forum Secretariat. *Forum Communiqué*. Forty-Sixth Pacific Islands Forum. Port Moresby, Papua New Guinea. 8-10 September 2016. (Pacific Islands Forum Secretariat, Suva): 3.

<sup>27</sup> Vanuatu Government, 'Vanuatu Post-Disaster Needs Assessment: Tropical Cyclone Pam, March 2015' (Vanuatu Government, Port Vila, 2015).

<sup>28</sup> Fiji Government, 'Fiji Post-Disaster Needs Assessment: Tropical Cyclone Winston, February 20, 2016' (Fiji Government, Suva, 2016).

<sup>29</sup> Warming of 2.5°C by the end of the century would see the frequency of the most intense cyclones increase significantly worldwide; 'up to nearly double across all the major basins relative to the recent past', and for the South Pacific 'an increase by a factor of 4 is reported', see: Julio T. Bacmeister, Kevin A. Reed, Cecile Hannay, Peter Lawrence, Susan Bates, John E. Truesdale, Nan Rosebloom, Michael Levy, 'Projected changes in tropical cyclone activity under future warming scenarios using a high-resolution climate model' *Climatic Change*. 144:3-4 (2018): 547-560

<sup>30</sup> Curt D. Storlazzi, Stephen Gingerich, ApVan Dongeren, Olivia Cheriton, Peter Swarzenski, Ellen Quartaert, Clifford Voss, Donald Field, Hariharasubramanian Annamalai, Greg A. Piniak and Robert McCall, 'Most atolls will be uninhabitable by mid-21<sup>st</sup> Century because of sea-level rise exacerbating wave-driven flooding', *Science Advances*. 4:4 (2018)

<sup>31</sup> See IPCC Fifth Assessment Report: Working Group II. *Climate Change 2014: Impacts, Adaptation and Vulnerability*. Chapter 5: Coastal Systems and Low Lying Areas, (2014).

<sup>32</sup> Rebecca Asch, William Cheung, Gabriel Reygondeau, 'Future marine ecosystem drivers, biodiversity, and fisheries maximum catch potential in Pacific Island countries and territories under climate change', *Marine Policy* Vol 88. (2018) 285-294.

<sup>33</sup> See: Elizabeth Bast, Shakuntala Makhijani, Sam Pickard and Shelagh Whitley, *The fossil fuel bailout: G20 subsidies for oil, gas and coal exploration*. Overseas Development Institute, London and Oil Change International, Washington (2014).

<sup>34</sup> Sally Tyler. 'Where there's smoke, there's coal: Renewables and emissions targets under attack from the USA to Southeast Asia', *Asia and the Pacific Policy Society*. October 13, 2017. Australian National University, Canberra (2017).

Australia lobbied the Chinese-initiated Asian and Investment Infrastructure Bank to invest in coal-fired power (which the Bank ultimately rejected, declaring it would not invest in coal).<sup>35</sup>

Not all states are wedded to fossil fuels of course. Both the EU and China have re-stated their commitment to the Paris Agreement, and are investing heavily in renewable energy. They are betting the world order of the future will be driven by cleaner sources of power.<sup>36</sup> Last year, Britain and Canada joined forces with Pacific island states to launch a global ‘Powering Past Coal’ initiative, to hasten the end of coal as a source of electricity.<sup>37</sup> New Zealand has announced a ban on offshore oil and gas exploration, and is lobbying WTO members to phase out fossil fuel subsidies. These moves are a reminder that the rules of the international order are contested, and that island states are helping to drive change.

In the 1990s there was some conjecture that Pacific islands would ‘fall off the map’.<sup>38</sup> The end of the Cold War meant they were no longer a strategic priority for great powers. Today, the world is again taking a keen interest in the Pacific Ocean. But it is also clear that the world has changed. Pacific island countries are shaping the world of tomorrow as much as anyone. They are presented with a greater array of diplomatic choices. If Pacific-rim powers are to win over the island states, they need to start taking the ‘Pacific’ in the ‘Indo-Pacific’ a lot more seriously.

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<sup>35</sup> Hannah Wurf, ‘The future of the AIIB is bigger than Australian coal’, *The Interpreter*. December 8, 2016. Lowy Institute, Sydney.

<sup>36</sup> Richard Attias, ‘The EU and China will leverage renewable energy to create a new global order’, *The Hill*. May 16, 2018. Accessed at: <http://thehill.com/opinion/energy-environment/388030-the-eu-and-china-will-leverage-renewable-energy-to-create-a-new> Accessed on: June 6, 2018.

<sup>37</sup> United Nations Climate Change, ‘More than 20 Countries Launch Global Alliance to Phase Out Coal’. November 17, 2017. Accessed at: <https://unfccc.int/news/more-than-20-countries-launch-global-alliance-to-phase-out-coal> Accessed on: June 6, 2018.

<sup>38</sup>For discussion see: Greg Fry, ‘South Pacific Security and Global Change: the New Agenda’, IR Working Paper 1999/1. Department of International Relations, Research School of Pacific and Asian Studies. Australian National University, Canberra.