

STRATEGIC ASIA 2020

U.S.-CHINA COMPETITION

for Global Influence

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Oceania

Oceania: Cold War Versus the Blue Pacific

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THE NATIONAL BUREAU of ASIAN RESEARCH
Seattle and Washington, D.C.

EXECUTIVE SUMMARY

This chapter examines the competition between the U.S. and China in Oceania and finds that it is greatly complicating regional relationships and power dynamics.

MAIN ARGUMENT

The growth in China's presence and influence in Oceania has led to both alarm and opportunity in this normally uncontested region. While Pacific Island leaders see the economic and diplomatic benefits of engaging with China, the Australian and New Zealand governments worry about the prospects of Chinese bases so close to their shores. The U.S., Australia, and New Zealand have responded by refocusing their attention on the island states of the South Pacific, seeking both to compete directly with China's initiatives and to raise regional concerns about the dangers of China's presence. Most of the island states have refused to accept this polarizing logic and instead have seen China's presence and the greater U.S., Australian, and New Zealand attention that it has spurred as an advantage. Moreover, they have insisted on pursuing their own alternative nontraditional security agenda that is heavily focused on addressing climate change.

POLICY IMPLICATIONS

- Escalating rivalry in Oceania could have polarizing effects both domestically and intraregionally, leading to a destabilization of the region that is in no country's interests.
- For commercial, diplomatic, and military reasons, China is in Oceania to stay. The South Pacific's traditional partners should accept this and work to build the capacity of island states to manage multiple relationships that are in their own and the region's interests.
- The U.S., Australia, and New Zealand should not exaggerate China's advantages in the region. Beijing has made significant mistakes and faces considerable suspicions, and the South Pacific's traditional partners should seek to build on their traditional connections and reputational advantages.

Oceania: Cold War Versus the Blue Pacific

Michael Wesley

The strategic significance of Oceania (comprising the island states of the southwest Pacific, New Zealand, and Australia) arises from its position at the end of the world's longest archipelago, stretching along Asia's eastern coast from the Sakhalin and Kuril Islands in the north; continuing down through Japan, Taiwan, the Philippines, Indonesia, New Guinea, Australia, and New Zealand; and reaching out to Fiji, Samoa, and Tonga. The greater the strategic competition is for the northern and middle reaches of this archipelago, the more the rivalries spill into Oceania.

Imperial Japan first used this archipelago during World War II for its southern lightning strike, which pushed out British, French, Dutch, and U.S. spheres of influence and briefly established Japanese hegemony. The Allied counterattack began in Oceania, on the island of Guadalcanal, and drove the Japanese back up the archipelago in the famous island-hopping campaign of the Pacific War. During the early stages of the Cold War, the United States designated the island chain as a strategic perimeter beyond which it would not permit the expansion of Communist influence. Chinese strategists referred to the archipelago as the "first island chain" and saw it as a rampart of U.S.-allied or -aligned states that were blocking China's egress into the Pacific and beyond. They thus oriented the country's maritime strategy toward solving the dilemma of the first island chain. This strategy became particularly acute after 1993 when China became a net energy importer and was increasingly reliant on seaborne supplies of oil from the Persian Gulf, thus rendering it ever more dependent on sea lanes dominated by the U.S. Navy in the Indian and Pacific Oceans.

China's growing strategic interest in the Indian Ocean, its increasing naval might, and other Asian states' investments in their own maritime weapons systems have brought about an Indo-Pacific strategic system that includes Oceania. All the major industrial states of Northeast Asia rely on seaborne energy that passes through the Indo-Pacific archipelago via the Malacca, Lombok, or Sunda Strait. All these straits would become the focus of blockade operations in the event of conflict in the Pacific. Consequently, all the major powers in the Pacific have shifted their strategic focus toward Southeast Asia, investing heavily in building partnerships with South and Southeast Asian states.¹ At the same time, there has been significant investment in military equipment in the region. In the quarter century since the end of the Cold War, China's arms spending has increased by 875%, Indonesia's by 210%, India's by 176%, Malaysia's by 170%, Singapore's by 165%, Vietnam's by 135%, and South Korea's by 119%.² Most of these investments have been in maritime weapons systems, including ships, submarines, missiles, surveillance systems, and jet fighters. As a consequence, the Indo-Pacific has shifted from being a maritime system dominated by U.S. sea control to being one of multiple interlocking zones of sea denial.³ The increasing congestion of Southeast Asia's strategic waterways has resulted in rivalries spilling over into Oceania as various powers look for alternative points of advantage, resulting in the most sustained strategic competition in the region since 1942.

This chapter examines the effects of growing Sino-U.S. competition in Oceania on the foreign policies and domestic politics of the region's states. It argues that competition between Washington and Beijing in Oceania is an extension of their competition for influence across the Indo-Pacific. It has particular implications for the regional posture of the United States' treaty ally Australia and security partner New Zealand, both of which view China's growing presence in Oceania with the same alarm as Washington. China has chosen to emphasize the mutual benefits of its engagement with Pacific Island states, in contrast to the United States and its allies. Most Pacific Island leaders have refused to buy in to the strategic competition, instead focusing on the benefits of engaging with all sides. They have also advanced their own, alternative security agenda, which prioritizes addressing climate change and other transnational threats.

¹ For example, China's Belt and Road Initiative, South Korea's New Southern Policy, Japan's Vientiane Vision (for new defense diplomacy in Southeast Asia), Taiwan's New Southbound Policy, and India's Act East policy all have a maritime component.

² Data is taken from the Stockholm International Peace Research Institute (SIPRI), SIPRI Military Expenditure Database, <https://sipri.org/databases/milex>.

³ For the shift in maritime dominance, see Michael Wesley, *Restless Continent: Wealth, Rivalry and Asia's New Geopolitics* (Melbourne: Black, 2015), 136–37.

The chapter begins by examining the policies of the United States, Australia, New Zealand, and China toward Oceania. It examines the complex alliance considerations that explain the intense focus of Australia and New Zealand on the region. The chapter then explores Pacific Island states' responses, discussing points of solidarity and division both among the states and between elites and populations. The new security agenda in the Pacific, as advanced by Pacific Island leaders, is contrasted with the geopolitical agendas of the United States and its allies. The chapter concludes by outlining policy implications for the United States, Australia, and New Zealand.

Competing U.S. and Chinese Interests in Oceania

U.S. Aims

The United States has traditionally factored Oceania into its broader Pacific strategy. Maintaining exclusive sea control of the Pacific Ocean was an essential part of U.S. Cold War strategy. The United States used island bases in Japan, Guam, and the Philippines, as well as aircraft carriers, to project power onto the Eurasian landmass.⁴ While Oceania was never at the front lines of this strategy, keeping the region free of hostile interests that could threaten or distract the main thrust of U.S. efforts farther north was an important secondary interest. After signing the Australia, New Zealand, United States (ANZUS) Security Treaty in 1951, Washington was comfortable outsourcing the management of Oceania to Canberra and Wellington on behalf of the Western alliance system. The treaty committed the countries to “consult together whenever in the opinion of any of them the territorial integrity, political independence or security of any of the Parties is threatened in the Pacific.”⁵ The same year, the three allies signed the Radford-Collins Agreement, which created a joint zone of maritime responsibility across Oceania, Southeast Asia, and the eastern Indian Ocean. A third element of U.S. outsourcing evolved from the 1948 UKUSA agreement, which committed the United States, the United Kingdom, Canada, Australia, and New Zealand to sharing signals intelligence. The agreement divided up the responsibilities for collecting signals intelligence among the five allies: Britain would collect in Africa and in Eastern Europe, Canada in northern Europe and Russia, Australia in the eastern Indian Ocean as well as in parts of Southeast Asia and the southwest Pacific, New Zealand in the South Pacific,

⁴ Samuel P. Huntington, “National Policy and the Transoceanic Navy,” *Proceedings of the U.S. Naval Institute* 80, no. 3 (1954): 483–93.

⁵ See art. 3 of the ANZUS Treaty.

and the United States in all other designated places.⁶ From this specific responsibility for collecting intelligence across Oceania, Australia and New Zealand slowly assumed responsibility for managing the region on behalf of the Western alliance.

For most of the postwar period, allied strategy in Oceania has rested on an alignment between U.S. strategic interests and those of Australia and New Zealand. The United States has seen Oceania as a region of secondary strategic importance, and has increasingly trusted its antipodean allies to keep it that way. Since the mid-nineteenth century, a deep motivation for Australia's and New Zealand's foreign policies had been to maintain Oceania's freedom from interests that were hostile to their own. Indeed, frustration with Britain's willingness to allow potentially hostile French, U.S., and German interests to intrude into the region provided significant impetus for the Australian colonies to unite in a federation and push for constitutional independence from Britain.⁷ The seizure of German colonies in New Guinea and Samoa during World War I established Australia and New Zealand, respectively, as colonial powers, while the sudden appearance of Japanese forces in Papua New Guinea and the Solomon Islands in World War II only heightened Australia's and New Zealand's sensitivity to the vulnerability of small island states to the ingress of hostile interests. Finally, as the Cold War progressed, both Oceanian powers had the chance to realize their visions of a region free of hostile interests: the entire Pacific was dominated by their major ally, the United States; Japan had been decisively defeated and absorbed into the U.S. alliance system; and France, although maintaining its Pacific colonies, had become a member of NATO.

Subsequently, policing Oceania became part of the alliance deal with the United States. As the island states of the Pacific were decolonized, Australia and New Zealand worked to build access and influence with their governments. They became the region's major aid providers, served as the metropolitan members of fledgling regional organizations such as the Pacific Islands Forum, and ensured that the newly decolonized states had no reason to be attracted to the more radicalizing influences that were sweeping the Afro-Asian grouping at the United Nations. The United States relied on Canberra and Wellington to represent its interests in Oceania, devoting few resources and scant attention to the region.

For Australia and New Zealand, preserving the balance between their alliance responsibilities of maintaining access and influence in the region

⁶ Jeffrey T. Richelson and Desmond Ball, *The Ties That Bind: Intelligence Cooperation between the UKUSA Countries*, 2nd ed. (Sydney: Unwin Hyman, 1990), 143.

⁷ Neville Meaney, *The Search for Security in the Pacific, 1901–1914*, vol. 1, *A History of Australian Defence and Foreign Policy 1901–1923* (Sydney: Sydney University Press, 1976).

and their alliance commitments to support U.S. strategic policy could be difficult at times. When the Pacific Island states began to mobilize against nuclear testing in Oceania and move toward signing the 1985 South Pacific Nuclear Free Zone Treaty that would create a nuclear-free zone in Oceania, Australia and New Zealand were placed in a difficult position. On the one hand, their alliance responsibilities to maintain access to and influence in the Pacific Island governments suggested that they should show solidarity with the region's anti-nuclear sentiments. On the other hand, their alliance commitments to support U.S. sea control in the Pacific mandated that they should support the rights of nuclear-armed U.S. Navy vessels to operate in Oceania. New Zealand chose to show solidarity with the Pacific Island states and exited from the ANZUS Treaty in the 1980s, whereas Australia supported both U.S. access and the Pacific's nuclear-free goals and remained inside the alliance.

The alliance deal was built into Australia's own strategic planning. During the 1980s, Canberra replaced its old "forward defence" doctrine, in which it committed to expeditionary coalitions to defeat aggression on the Asian mainland, with the new "defence of Australia" doctrine, which would invest heavily in air and maritime assets capable of defeating possible adversaries in the "air-sea gap" to Australia's north and northwest.⁸ Central to this strategy were three concentric circles of strategic priorities: the Australian continent, an inner arc encompassing maritime Southeast Asia and the South Pacific, and an outer arc stretching to continental Southeast Asia and the western Indian Ocean. Thus, the strategic denial of access to the South Pacific to hostile interests served both national defense planning and alliance obligations. This strategy has since remained central to Australian defense planning for over 40 years.

For New Zealand, regardless of whether it was formally inside or outside the ANZUS Treaty, the limited scale of its defense force has meant that it has prioritized responding to security challenges as part of coalitions, which of necessity requires a fairly close adherence to Australian and U.S. strategic objectives. The most recent Strategic Defence Policy Statement, for example, echoes Australian and U.S. pessimism about China's growing role in the broader region and makes a significant decision to bolster New Zealand's maritime power through the purchase of Boeing P-8A Poseidon maritime patrol aircraft.⁹ New Zealand has aligned its strategic policy with those of the United States and Australia for much of this century so far—for example,

⁸ Commonwealth of Australia, *The Defence of Australia 1987* (Canberra, 1987).

⁹ On New Zealand's defense policy, see Robert Ayson, "The Domestic Politics of New Zealand's Defence," Lowy Institute, Interpreter, July 9, 2018, <https://www.lowyinstitute.org/the-interpreter/domestic-politics-new-zealand-defence>.

by making contributions to allied operations in Iraq and Afghanistan and counterpiracy missions in the Indian Ocean. It has taken similar positions on the South China Sea and blocking Huawei from its telecommunications infrastructure as Canberra and Washington. Further, its response to China's role in the Pacific has been highly consistent with those of Australia and the United States.

The island countries of Oceania were given no voice in this strategic framing of their region. Only three Pacific Island countries—Papua New Guinea, Fiji, and Tonga—had armed forces. However, the Papua New Guinea Defence Force was preoccupied between 1989 and 1999 with fighting separatists in Bougainville Province, while the Fijian and Tongan militaries had mainly been involved in UN peacekeeping. In the case of Fiji, the military also launched several coups. The only two times during the Cold War period that the island states became involved in broader strategic issues were during their anti-nuclear campaign and in Vanuatu's membership of the Non-Aligned Movement. Vanuatu has periodically caused the greatest concerns in Canberra, Wellington, and Washington, such as when the country negotiated a fisheries access agreement with the Soviet Union or when it allowed a Libyan People's Bureau to open in its capital, Port Vila, in the 1980s. But beyond these brief forays into broader geopolitics, the island states remained focused on intraregional relations and rivalries for much of the first quarter century of their independence. Although quick to observe that they are never consulted in the development of allied strategy toward Oceania, Pacific Island leaders quietly endorse the role of the United States and its allies in the region. Too small to defend themselves, most Pacific Island states have been the beneficiaries of the strategic stability brought by U.S. primacy in the Pacific. However, this has not stopped these states from also being critical of specific U.S. actions, such as nuclear testing in the Marshall Islands or the withdrawal from the Paris climate change agreement.

The strategic objectives of the United States in Oceania center on ensuring that the southern end of the Pacific Island chain does not become host to hostile interests. While Oceania has been of secondary importance to the United States, the United States has been willing to allow its ally Australia and security partner New Zealand to maintain stability and an absence of rival interests in Oceania. Washington has relied on Canberra and Wellington to represent its interests in Oceania and has only become more attentive to the region since China has started to build a significant presence there.

Chinese Aims

China's interests in Oceania are varied and have evolved through several phases. Australia and New Zealand are important suppliers of minerals, energy, and food to the fast-developing Chinese economy, and China's goods and services trade with these two countries has been expanding rapidly. Developing close relations with Australia and New Zealand became important to China in the two decades after its economic opening, as they became strong supporters of China's entry into regional and global trade organizations such as the Asia-Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO), respectively. Australia and to a lesser extent New Zealand are also important to China's strategic aims as allies of the United States. As Beijing tries to weaken the U.S. role in the western Pacific, it has used a variety of tactics to try to loosen U.S. allies' commitments to the United States. For example, the Chinese telecommunications firm Huawei has spent resources trying to gain access to the Australian and New Zealand markets that are well beyond what such modest markets would return, arguably for the psychological effect of having close U.S. allies partner with a Chinese company in ways objected to by Washington.¹⁰

Increasingly, the deepening economic complementarities that China has with the economies of Australia and New Zealand have emerged as a possible lever for China to weaken Australia's commitment to the U.S. alliance and New Zealand's general alignment with Western liberal democratic causes. China's recent imposition of trade and investment restrictions on Japan, South Korea, and the Philippines has made Australia and the United States anxious about the aggregate effect on their own economies if China were to decide to take similar measures against them.¹¹ Washington has also voiced concerns that Australia's and New Zealand's trade dependence on China will cause them to equivocate in their commitments to their strategic partnerships with the United States. Such concerns were heightened in 2004 when the Australian foreign minister denied that the ANZUS Treaty obliged Australia to join with the United States in the event of war with China and in 2014 when the defense minister said the same thing.¹² However, to date there is no evidence that considerations of trade ties to China have caused

¹⁰ Jennifer Duke, "Fighting the 'Domino Effect': Why Huawei Is Doubling Down on Australia," *Sydney Morning Herald*, June 29, 2019.

¹¹ Richard McGregor, "Trade Deficits: How China Could Punish Australia," *Australian Foreign Affairs*, no. 7 (2019): 54–74.

¹² Brendan Taylor, "Australia and the United States in Asia," in *Australia's American Alliance*, ed. Peter J. Dean, Stephan Frühling, and Brendan Taylor (Melbourne: Melbourne University Press, 2016), 256–58.

either Australia or New Zealand to distance itself from U.S. strategy in the region.¹³

China's initial interest in the South Pacific began through the lens of its diplomatic rivalry with Taiwan. Currently five of the seventeen states that recognize Taiwan as a sovereign state are Pacific Island countries. At times of particularly intense rivalry with Taiwan, Beijing has stepped up its attempts to persuade these countries to switch their recognition to China. A more recent wave of Chinese interest has occurred as a consequence of the rapid development and evolution of the Chinese economy. Chinese economic influence has increased throughout the Pacific Island countries as a result of the uncoordinated activities of thousands of Chinese migrants who have relocated to Oceania and established small businesses. Across the region, these migrants have started to dominate local economies, particularly in the retail sector.¹⁴

More recently, a third phase of Chinese interest in the islands of the South Pacific has emerged as a result of the deepening rivalry with the United States and its allies in the Indo-Pacific. Oceania has begun to play into Beijing's strategic planning in this regard due to two considerations. The first is China's continuing concern about the ability of its nuclear submarine fleet to maneuver from bases on Hainan Island, past the first island chain, and into the Pacific. Having bases in the Pacific outside the first island chain would enable the People's Liberation Army (PLA) Navy to increase the U.S. Navy's strategic uncertainties, while providing its own fleet with substantially greater freedom of navigation. The second impulse relates to what President Hu Jintao termed China's "Malacca dilemma"—the possible blockade of the transit routes through which the country's energy supplies transit Southeast Asia. While considerably longer, a transit route that runs to the south of Australia and north through the South Pacific would free Chinese shipping of chokepoints; moreover, a permanent PLA Navy presence would make this route much more secure for China than the crowded and contested waters of maritime Southeast Asia.

Beijing has consequently deployed in the South Pacific the same playbook that it has used to build influence in other developing regions.¹⁵ Proclaiming "South-South cooperation," Beijing has directed increasing amounts of development assistance to the Pacific Islands. One credible estimate calculates

¹³ Shannon Tow, *Independent Ally: Australia in an Age of Power Transition* (Melbourne: Melbourne University Press, 2017).

¹⁴ Kathryn Hille, "Pacific Islands: A New Arena of Rivalry between China and the U.S.," *Financial Times*, April 9, 2019.

¹⁵ On China's "playbook," see Avery Goldstein, "A Rising China's Growing Presence," in *China's Global Engagement: Cooperation, Competition and Influence in the 21st Century*, ed. Jacques deLisle and Avery Goldstein (Washington, D.C.: Brookings Institution Press, 2017), 1–34.

that, since 2006, Beijing has provided \$632 million in aid to Papua New Guinea, \$359 million to Fiji, \$243 million to Vanuatu, \$230 million to Samoa, and \$172 million to Tonga. The assistance, predominantly in the form of concessional loans, has been directed across a range of sectors, including infrastructure, communications, mining and forestry, and health and education.¹⁶ China has financed large infrastructure projects in small nations; promised new forms of connectivity to isolated island societies, ranging from telecommunications infrastructure to markets to tourism; and rolled out its own forms of imperial diplomacy, including two leaders' summits between the Chinese president and the leaders of the Pacific Islands. Beijing's strategy appears to be evolutionary rather than declaratory, seeking to build influence and access in the present as a precursor to greater political and strategic influence in the future.

China's objectives in Oceania are several. It continues to compete for diplomatic recognition with Taiwan in the region, where five states still recognize Taipei. Beijing also has an interest in building a greater presence in Oceania as a consequence of its expanding global status as a great power. More recently, China has developed a focused strategic interest in the South Pacific. It feels that a base in the region would ease its challenges in developing and maintaining naval access to the Pacific Ocean outside the first island chain. As noted above, the South Pacific also has strategic value as a possible maritime route to the western Indian Ocean if the narrow and contested straits through Southeast Asia become too dangerous.

Increasing Sino-U.S. Competition in the South Pacific

In response to China's growing influence in the South Pacific, the United States has become less willing to outsource its strategic interests to Australia and New Zealand. Responding both to their own concerns and to the growing discomfort of the United States, the two U.S. allies have unveiled major increases to their aid to and activities in the South Pacific. Australia's policy shift, labeled the "Pacific step-up," involves a range of initiatives from training security officials across the region to major infrastructure investments, such as building undersea internet cables between Solomon Islands, Vanuatu, and Australia in order to prevent Huawei from doing so. New Zealand's policy has been christened the "Pacific reset" and involves an additional NZ\$714 million in aid to the South Pacific.

The logic of both Australia's and New Zealand's policies seems to be to reduce the need for and attraction of Chinese initiatives and assistance among Pacific Island countries. Initiatives such as the Australian Infrastructure

¹⁶ "Chinese Aid in the Pacific," Lowy Institute, <https://chineseaidmap.lowyinstitute.org>.

Financing Facility for the Pacific appear to be directly countering China's most prominent activities in the region. Conversely, both New Zealand's and Australia's intensified capacity-building activities in the security sectors of Pacific countries appear to be aimed at depriving China of any strategic advantage that it might have hoped to derive from its largesse in the South Pacific through fostering greater alignment with its security goals. Canberra and Wellington have been vocal in warning their Pacific neighbors of the dangers of becoming too involved with China. Concetta Fierravanti-Wells, then Australian minister for international development and the Pacific, warned Pacific Island countries of Beijing's "debt-trap diplomacy" whereby it offers concessional loans that are beyond the capacities of the receiving countries to repay and then demands debt-for-equity swaps of strategic real estate.¹⁷ The then Australian foreign minister Julie Bishop was unequivocal in her pledge to "compete with China's infrastructure development spree in Australia's neighborhood to help ensure that small nations are not saddled with debt that threatens their sovereignty."¹⁸ The sudden counter-bid for Australia to build the Solomon Islands' internet cable rather than Huawei also carried clear implications that Canberra believed that such infrastructure could be used by Beijing to interfere in the domestic politics of the island countries.

By calling their programs, respectively, a "step up" and a "reset," Canberra and Wellington seem to be implying that before the arrival of China in the South Pacific they had neglected the region. Yet nothing could be further from the truth. Since the beginnings of the Bougainville Civil War in 1988, both Australia and New Zealand have been intensively involved in the South Pacific, most notably by leading a fourteen-year, AU\$2 billion intervention in the Solomon Islands to restore law and order and to rebuild governance and economic institutions between 2003 and 2017.¹⁹ One must suspect that the main audience for the step-up and reset titles is in Washington, D.C., rather than in the South Pacific.

Nevertheless, despite the policy focus of its allies, Washington seems to be in the process of developing its own renewed policy focus on the South Pacific. At the time of writing, this remains a work in progress, but the intent to do so from U.S. policymakers is clear. The United States has restructured the National Security Council to create an Office of Oceania and Indo-Pacific

¹⁷ Primrose Riordan, "Concetta Fierravanti-Wells Warns PNG Not to Be China's Conduit," *Australian*, October 5, 2018.

¹⁸ David Wroe, "Australia Will Compete with China to Save Pacific Sovereignty, Says Bishop," *Sydney Morning Herald*, June 18, 2018, <https://www.smh.com.au/politics/federal/australia-will-compete-with-china-to-save-pacific-sovereignty-says-bishop-20180617-p4zm1h.html>.

¹⁹ Joanne Wallis and Michael Wesley, "Unipolar Anxieties: Australia's Melanesia Policy after the Age of Intervention," *Asia and the Pacific Policy Studies* 3, no. 1 (2016): 26–37.

Security, and senior members of the Trump administration, including Vice President Mike Pence, have visited the South Pacific. President Trump welcomed the leaders of the U.S. Compact of Free Association states to the White House in May 2019, issuing a joint statement with them on deepening cooperation on illegal fishing, the environment, and economic development.²⁰

Intersection with Local Interests in Oceania

Australia and New Zealand

Responses to the United States. Australian and New Zealand elites have responded in complex ways to the increased Sino-U.S. rivalry in Oceania. The growing Chinese role in Southeast Asia and the South Pacific has seen both Canberra and Wellington cleave more closely to their relationships with Washington. The Australian government's 2017 foreign policy white paper, published in late 2017, characterized the importance of the United States in its region in these terms:

The Australian Government judges that the United States' long-term interests will anchor its economic and security engagement in the Indo-Pacific. Its major Pacific alliances with Japan, the Republic of Korea and Australia will remain strong. Most regional countries, including Australia, clearly consider a significant U.S. role in the Indo-Pacific as a stabilising influence.²¹

Australia accepts that the period of uncontested U.S. primacy in the Pacific is over and that China's bid to dislodge the United States and establish its own form of primacy will be powerful and sustained. However, Canberra remains committed to its alliance relationship and is anxious to maintain U.S. commitment and attention to the Pacific. It has made several strategic commitments to underwrite the United States' presence, including hosting rotations of U.S. marines through Darwin and committing to doubling the size of its conventional submarine force with a range that will allow it to operate in the first island chain. Australia has also deepened its defense relationships with other U.S. allies and partners, such as Japan and Singapore, with the intention of partially "multilateralizing" the bilateral alliance architecture of the region.²²

²⁰ Jesse Barker Gale, "Cooperation and Competition in the South Pacific," National Bureau of Asian Research, Brief, August 15, 2019, <https://www.nbr.org/publication/competition-and-cooperation-in-the-south-pacific>.

²¹ Australian Government, *2017 Foreign Policy White Paper* (Canberra, 2017), 26.

²² Peter J. Dean, "ANZUS: The 'Alliance' and Its Future in Asia," in *Australia's Defence: Towards a New Era?* ed. Peter J. Dean, Stephan Frühling, and Brendan Taylor (Melbourne: Melbourne University Press, 2014).

For over a decade now, New Zealand has been rebuilding its partnership with the United States, which had been damaged by its departure from the ANZUS alliance in 1985. Participation in coalition operations in Afghanistan saw it designated a major non-NATO ally of the United States in 2011. In 2010 the two countries signed the Wellington Declaration, a framework for strategic cooperation and political dialogue, and in 2012 they signed the Washington Agreement establishing official defense ties.²³ In 2015 the Edward Snowden leaks revealed close U.S.–New Zealand intelligence cooperation to penetrate the Chinese Foreign Ministry’s computer systems.²⁴

Both Australia and New Zealand have found that growing U.S. anxiety about China’s activities in Oceania has given them greater access in Washington than they previously had. At the same time, the ascension of Donald Trump to the presidency of the United States has created some anxieties in both Canberra and Wellington. Trump has demonstrated on many occasions that he is not willing to treat allies any differently from rivals, as evidenced by his singling out of Japan, South Korea, and several NATO countries to criticize them for what he regards as their exploitation of U.S. generosity. The effect of these statements has been to cast doubt on the willingness of the United States under the Trump administration to come to the assistance of long-standing allies. A particularly bad-tempered phone conversation between Trump and then Australian prime minister Malcolm Turnbull in early 2017 has had an intimidating effect on elites in Canberra, who have since been particularly muted in their comments about U.S. policies that they find problematic, such as trade policies. At the very least, Trump’s erratic foreign policy positioning has led Australia and New Zealand to think hard about “alliance plus” options—that is, strategies for managing China’s growing presence and assertiveness that go beyond simply relying on U.S. power. These strategies include building strategic partnerships with other Indo-Pacific powers such as Japan, India, and Indonesia. More recently, in the context of the growing trade dispute and the possible “technology Cold War” between the United States and China, Canberra and Wellington have been working to clarify their interests in relation to the possibility of a bipolar confrontation in the Indo-Pacific. While Australia and New Zealand have welcomed the interest of European powers such as Britain, France, and Germany in the region, the main focus of their efforts has been on building partnerships with other Indo-Pacific states.

²³ The full text of the Wellington Declaration is available at <http://www.stuff.co.nz/national/politics/4309206/Full-text-of-the-Wellington-Declaration>.

²⁴ Tom Corben, “Louder Than Words: Actions Speak Volumes for New Zealand–U.S. Relations,” *Diplomat*, October 12, 2016, <https://thediplomat.com/2016/10/louder-than-words-actions-speak-volumes-for-new-zealand-us-relations>.

Australia and New Zealand have reacted in complex ways to Washington's growing interest in the South Pacific. On the one hand, they have welcomed it as evidence of the United States' continued commitment to maintaining U.S. interests in the Pacific and have enjoyed greater access to policymakers in Washington as a consequence. On the other hand, policymakers in Canberra and Wellington are quietly irritated at the implication that the United States has become involved in the South Pacific because they have somehow created space for Chinese influence by neglecting their relationships in the region. The past quarter century has seen intensified Australian and New Zealand interest and activities in the South Pacific, and their access and influence across the region are arguably greater than at any time since the independence of the Pacific Island countries. As noted earlier, designating their policies as a step-up and a reset may be a somewhat misdirected way of reiterating their focus on the South Pacific to the United States.

Australia and New Zealand are also apprehensive that intensified U.S. activities may complicate their own efforts to maintain access to and influence in the South Pacific. The region is now awash with new initiatives, many of which are pursued by different agencies in Canberra and Wellington that often have little coordination with each other. Australian and New Zealand officials worry that additional U.S. activities will only add to this crowding-out effect, particularly if these activities are not accompanied by signs of genuine and long-term U.S. engagement, such as the establishment of fully fledged diplomatic missions in the region.

Responses to China. Australian and New Zealand responses to China have evolved markedly over the past half decade. For much of the post-Cold War period, both countries' attitudes toward China have largely been defined by their growing economic complementarity with the Chinese economy. They were two of the first countries in the region to register China as their largest trading partner, and this economic interdependence has become more marked over time. For Australia, and to a lesser extent for New Zealand, China has been the source of a remarkable terms-of-trade boom, enabling both countries' economies to ride out the downturns experienced by the rest of the world during the bursting of the technology bubble in 2000 and the global financial crisis in 2008. This economic complementarity has also meant that there have been few domestic losers from their interdependence with China, which generates positive elite and popular perceptions of bilateral relations. New Zealand became the first Western country to sign a free trade agreement with China in 2007, and Australia followed in 2014. For much of this period, Canberra's and Wellington's challenge was one of maintaining positive relations with both China and the United States, even as Sino-U.S. rivalry deepened.

However, these positive perceptions of China have shifted in both countries in recent years. The scale of China's economic growth, the rise in the power of the party-state under Xi Jinping, and the assertive nature of China's statecraft in the South China Sea have all contributed to a souring of attitudes in Australia and New Zealand. Official and public anxiety about the scale and nature of Chinese investment in both economies has increased. Canberra and Wellington have gradually broadened their definitions of what constitutes strategically sensitive elements of their economies, partly in response to public uproar over issues such as (in the case of Australia) the leasing of the port of Darwin to a Chinese company in 2016.

In particular, Australia has pushed back more forcefully against China in recent years. In 2017, following a hack of the parliament's email network that allegedly originated in China, Australia legislated against activities that promoted foreign interference in its domestic affairs. Although not mentioning China, the legislation clearly implied that China was one of the main culprits behind the move. Australia was also the first country to explicitly ban Huawei from having any role in building the core components of its 4G mobile telephone network or any part of its 5G network. New Zealand, the United States, and several other Western countries have since followed suit. Australia has been particularly vocal in its opposition to China's claims and activities in the South China Sea, repeatedly calling on Beijing to respect international law and freedom of navigation in the waterway. In multiple public contexts, Australian government ministers and officials have rehearsed a mantra that calls for the respect of the rules-based order in the Indo-Pacific, with the clear implication that China's activities in the South China Sea and elsewhere pose the greatest challenge to it. Australia has also refused to sign on to China's Belt and Road Initiative, unlike New Zealand and many other countries in the Indo-Pacific. As a consequence, China has put bilateral relations with Australia into the cooler, suspending the annual strategic dialogues between the two countries and all but stopping bilateral ministerial visits.

New Zealand has been less confrontational with China than Australia or the United States. Although it too has banned Huawei from building its 5G network and has publicly voiced its concerns over China's activities in the South China Sea, Wellington has been careful to keep its relationship with Beijing in good repair. In April 2019, Prime Minister Jacinda Ardern made a state visit to China, and the two countries have commenced negotiations on updating their 2008 free trade agreement.²⁵

²⁵ Jason Young, "Is New Zealand's Relationship with China on the Rocks?" East Asia Forum, May 2, 2019, <https://www.eastasiaforum.org/2019/05/02/is-new-zealands-relationship-with-china-on-the-rocks>.

Pacific Island Countries

In marked contrast to Australia and New Zealand, the Pacific Island countries refuse to align with the United States in its growing rivalry with China. Many are apprehensive that the island states of the Pacific will again be given no voice in the strategic alignments forming around them. In the words of the Samoan prime minister Tuilaepa Sailele Malielegaoi, “The renewed vigour with which a ‘free and open Indo-Pacific’ is being advocated and pursued leaves us with much uncertainty. For the Pacific there is a real risk of privileging the ‘Indo’ over the ‘Pacific.’”²⁶ The period of strategic competition has coincided with a new assertiveness and solidarity from within the Pacific. According to Christelle Pratt, the deputy secretary-general of the Pacific Islands Forum, “For our region these similar yet different frames [i.e., Asia-Pacific vs Indo-Pacific] appear both complementary and competing, but what matters to this region is our own collective ambition to define our place. The Blue Pacific cannot and will not become an aside in this new Indo-Pacific frame.”²⁷

Many Pacific Island countries also worry about the polarizing effects of Sino-U.S. competition on intraregional relations and fear that it will become a pretext for overbearing neocolonial manipulation of the small island states. In the dramatic words of the Samoan prime minister,

There is a polarisation of the geopolitical environment. The concept of power and domination has engulfed the world, its tendrils extending to the most isolated atoll communities. The Pacific is swimming in a sea of so-called “fit for purpose” strategies stretched from the tip of Africa, encompassing the Indian Ocean and morphing into the vast Blue Pacific Ocean continent—that is our home and place....The reality is stark—we are again seeing invasion and interest in the form of strategic manipulation.²⁸

In a form of preemptive opposition, the Pacific Island countries rejected the framing of any such manipulation from the outset:

Pacific Island countries and the U.S. have different approaches to this new phase of great power competition. The U.S. National Security Strategy portrays Pacific Island Countries as “fragile states”....[I]t states that the U.S. will work with Australia and New Zealand to “shore up” these fragile Pacific Island Countries. This narrative continues to paint the picture of a region that is willing to stand

²⁶ Tuilaepa Sailele Malielegaoi (remarks at the Lowy Institute, Sydney, August 30, 2018).

²⁷ Christelle Pratt, “Strengthening the U.S.–Pacific Islands Partnership” (opening remarks to the CSIS U.S.-Pacific Dialogue, Nadi, March 4, 2019), <https://www.forumsec.org/opening-remarks-to-the-center-for-strategic-international-studies-us-pacific-dialogue-strengthening-the-us-pacific-islands-partnership-by-deputy-secretary-general-cristelle-pratt>.

²⁸ Tuilaepa (remarks at the Lowy Institute).

by and allow its future to be shaped and directed by others. I would like to encourage you to move away from this narrative.²⁹

Moreover, Pacific leaders emphatically refuse to be stampeded into making binary choices between China and their traditional partners, Australia and New Zealand. Many of the outspoken leaders in the region reject the “China threat” language that has accompanied the step-up and reset policies, as dramatically set out by secretary-general of the Pacific Islands Forum Dame Meg Taylor:

I reject the terms of the dilemma which presents the Pacific with a choice between a China alternative and our traditional partners....In general, Forum members view China’s increased actions in the region as a positive development, one that offers greater options for financing and development opportunities—both directly in partnership with China, and indirectly through increased competition in our region.³⁰

There is a strong economic component to this perception. Between 2007 and 2017, China’s trade with the Pacific Islands grew by a factor of four. China is now the Pacific Island countries’ largest trade partner. Bilateral trade totals \$8.2 billion, whereas Australia’s annual trade with the region is only \$5 billion.³¹ Moreover, Pacific leaders have been quick to point out the hypocrisy of the Australian, New Zealand, and U.S. statements about the dangers of doing business with China when the countries making such statements have benefited greatly from their economic interdependence with China. Taylor’s language on this is stark: “If there is one word that might resonate among all Forum members when it comes to China, that word is access. Access to markets, technology, financing, infrastructure. Access to a viable future.”³² Moreover, Australia and New Zealand had not offered or provided the Pacific Island countries with such access until they became concerned about China doing so, as Taylor highlights:

To a large extent, Forum countries have been excluded from the sorts of technology and infrastructure that can enable us to fully engage in a globalised world. Many countries see the rise of China and its increasing interest in the region as providing an opportunity to rectify this. Indeed, we have seen large increases in both financing for development and trade with China over the past decade or so.³³

²⁹ Pratt, “Strengthening the U.S.–Pacific Islands Partnership.”

³⁰ Dame Meg Taylor, “The China Alternative: Changing Regional Order in the Pacific Islands” (speech at the University of South Pacific, Port Vila, February 8, 2019).

³¹ Matthew Dornan and Sachini Muller, “The China Shift in Pacific Trade,” DevPolicy Blog, November 15, 2018, <https://devpolicy.org/china-in-the-pacific-australias-trade-challenge-20181115>.

³² Taylor, “The China Alternative.”

³³ Ibid.

Yet even though there is a large amount of positivity about China across the Pacific Island region, it is not unanimous. Tonga, for example, has expressed uncertainty regarding its ability to repay concessional loans to Beijing. When Prime Minister Akilisi Pohiva voiced such concerns in August 2018, several other Pacific leaders, such as long-standing Samoan prime minister Tuilaepa, were quick to silence these concerns.³⁴ The Pacific Island states that are the most eager to defend Beijing are those that have signed on to the Belt and Road Initiative, including Papua New Guinea, Fiji, Samoa, and Vanuatu. There remain six states that have no diplomatic relations with China, some of which are the subject of active lobbying and counter-lobbying efforts by Beijing, Canberra, and Wellington. The Federated States of Micronesia is formally associated with the United States under the Compact of Free Association agreement. However, most of the Micronesian states have felt the gravitational pull of the Chinese economy, at times with uncomfortable effects. In 2017, for example, Palau found itself the subject of a sudden Chinese regulation against group tours to the island. The move had significant impact on the country, whose economy is dependent on tourism for almost half of its revenue and which had become dependent on China for half of its tourists by 2017.³⁵

While the governments of Fiji, Vanuatu, and Samoa are strong advocates for China in diplomatic forums, there is also a divide opening up between them and their own populations over the benefits of growing Chinese influence. Public resentment of Chinese economic activity is rising among many Pacific Island populations, who perceive Chinese immigrants and small businesses as excluding local people from retail sectors. In some states, there is growing public anger that Chinese commercial success is being parlayed into corrupt political influence. In the Solomon Islands and Tonga, public unrest in 2006 erupted into direct attacks on Chinese-owned shops and enterprises, which continue to be the target of attacks in the Solomon Islands to this day. These sentiments have not gone unheeded by the political classes. Relations with China have become a significant domestic political issue in Cook Islands, Niue, Palau, Papua New Guinea, and Vanuatu. There is also growing anger in Fiji at the government's close relationship with Beijing, with a focus on incidents such as the decision to allow Chinese police to effect the

³⁴ Stephen Dziedzic, "Tonga Urges Pacific Nations to Press China to Forgive Debts as Beijing Defends Its Approach," ABC (Australia), November 19, 2018, <https://www.abc.net.au/news/2018-08-16/tonga-leads-pacific-call-for-china-to-forgive-debts/10124792>; and "China Must Not Write Off Pacific Island Debts, Says Samoan Leader," Agence France-Presse, August 20, 2018, available at <https://www.scmp.com/news/china/diplomacy-defence/article/2160429/china-must-not-write-pacific-island-debts-says-samoa>.

³⁵ Edward White and Nicolle Liu, "Palau Holds Out as China Squeezes Taiwan's Allies," *Financial Times*, December 30, 2017.

deportation of 77 Chinese sex workers from Fiji in 2017.³⁶ In addition, there is anecdotal evidence that awareness of Beijing's repressive measures against evangelical Christian churches in China is spreading in the deeply Christian societies of the South Pacific, leading to growing anti-China sentiment among populations and political elites.³⁷

An even greater gap, however, has opened up between the Pacific Island countries and the United States, Australia, and New Zealand over the very framing of security priorities. While the metropolitan powers frame their security agendas in traditional terms focused on rising geopolitical rivalry with China, the Pacific Island states have adopted a nontraditional framing of security through the Pacific Island Forum's Boe Declaration and the Blue Pacific narrative. The latter seeks to upturn the traditional image of the Pacific Island states as small, marginal, and fragile. As Prime Minister Tuilaepa stated, "the Blue Pacific identity...represents our recognition that as a region, we are large, connected and strategically important. The Blue Pacific speaks to the collective potential of our shared stewardship of the Pacific Ocean."³⁸ While evoking the importance of the region and the countries it contains, this narrative is also motivated by anxieties about illegal and unsustainable fishing in the island states' vast exclusive economic zones:

UNCLOS has been a game-changer of Pacific Island countries. It has literally transformed small island nations into large oceanic states with vast exclusive economic zones, increasing their territory along with sovereign rights to resources in the ocean and the untapped potential on and below the seabed... Forum leaders continue to emphasise the critical importance of a strong governance regime in the high seas. Such a regime is necessary to ensure the security and integrity of our Blue Pacific continent.³⁹

But if there is one issue that galvanizes security concern across the island states, it is climate change. For atoll states such as Kiribati, Tuvalu, and Niue, climate change is not a future scenario; it is already a compelling reality. The issue of climate change has fostered arguably a greater degree of solidarity among the island states than has existed at any time in their post-independence history. It has also given them a more prominent voice on the global stage than ever before, as several regional leaders have become the most vocal advocates for drastic action. And more than any other issue, climate change has opened up a major division between the Pacific Island countries and Australia, New Zealand, and the United States. Pacific Island

³⁶ "Mass Deportation of Chinese from Fiji in Latest Offshore Crackdown by Beijing," Agence France-Presse, August 8, 2017.

³⁷ Author's correspondence with Graeme Smith on his fieldwork in Solomon Islands, August 15, 2019.

³⁸ Tuilaepa (remarks at the Lowy Institute).

³⁹ Pratt, "Strengthening the U.S.–Pacific Islands Partnership."

leaders question the sincerity of their traditional partners' concerns for their well-being, given that those partners seem to refuse to take the Pacific Island countries' top security concern seriously. Particularly galling have been the United States' withdrawal from the Paris Agreement and Australia's status as one of the largest producers and exporters of coal. In the words that prime minister of Fiji Josaia Voreqe Bainimarama chose for the benefit of Australian prime minister Scott Morrison during his visit to the Pacific Islands, "From where we are sitting, we cannot imagine how the interests of any single industry can be placed above the welfare of Pacific people and vulnerable people in the world over."⁴⁰

The larger Pacific Island countries such as Papua New Guinea and Fiji have also placed transnational security challenges at the top of the list of regional security priorities enshrined in the Boe Declaration. Oceania's increasing integration into global trade, investment, and information networks has opened up social vulnerabilities that the island governments feel they will struggle to counteract. Into this space have stepped Australia and New Zealand through their capacity-building activities in Pacific states' security sectors. Over the past decade, several fusion centers have been established in regional capitals, each enabling a greater degree of coordination against prominent transnational threats. But progress on transnational threats only seems to further emphasize the gulf between the island states and their traditional metropolitan partners. The United States, Australia, and New Zealand have not succeeded in convincingly integrating climate change into the ways in which they frame their own traditional security challenges. Instead, climate change has become an awkward topic, one used by Pacific Island leaders to goad and castigate their traditional partners when they are minded to do so but otherwise left embarrassingly off the agenda.

Policy Responses

Oceania today resembles a roiling, incoherent geopolitical auction, with player after player offering the bemused locals slightly different versions of the same thing, which may or may not be what the locals actually want. Canberra's step-up and Wellington's reset policies were conceived separately, but seem to be aimed at the same targets. There are some indications that Washington is consulting with Canberra and Wellington on its own version of this approach, but there is also a sense in which U.S. policy in the Pacific

⁴⁰ Quoted in Stephen Dziedzic and Erin Handley, "Climate Change Is 'No Laughing Matter,' Fiji's PM Frank Bainimarama Tells Australia during Scott Morrison's Pacific Trip," ABC (Australia), January 18, 2019, <https://www.abc.net.au/news/2019-01-18/climate-change-is-no-laughing-matter-fiji-pm-says/10724582>.

will be determined by what the United States believes is at stake in the region. Britain has announced that it will be opening diplomatic posts in Samoa, Tonga, and Vanuatu, while France has signaled its recommitment to its Pacific presence, and Japan has signed on to a partnership with Australia and the United States to bring electricity to 70% of Papua New Guinea.⁴¹ In contrast to these actions by the United States and its allies, China has not outlined a strategic blueprint of intent in the Pacific. Instead, it has used the language of shared interests and prosperity, the importance of multilateral commitments (in pointed contrast with the United States), and its leadership in taking practical action against climate change. China has also denounced actions that seek to interfere or compete with its growing role in the South Pacific as “protectionist” and “overbearing.”⁴² The Pacific Island states are under no illusion that the renewed interest from all sides stems from fears over China’s growing role, and many are encouraging interest from all the rival powers.

Once again, Australia and New Zealand face the old dilemma of reconciling alliance responsibilities with diverging alliance commitments. In an era when their security imperatives diverge from those of their island neighbors, Canberra and Wellington face a real challenge of maintaining access and influence. Their success in building access to and influence in the South Pacific during the 1990s and 2000s relied on socializing Pacific Island states to their own overarching policy imperatives. During the 1990s, this imperative was trade and investment liberalization, and in the 2000s it was the transnational security agenda. But beginning with the run-up to the 2015 UN Climate Change Conference, Canberra and Wellington began to lose their ability to shape the Pacific Island states’ diplomatic and security imperatives. While Australia in particular used its membership in the Pacific Islands Forum to tone down Oceania’s collective voice on climate change, the island states became increasingly frustrated with being silenced in global forums and willing to caucus outside established regional organizations. As a result of the island states’ climate change activism and solidarity on nontraditional security concerns, Australia and New Zealand now find themselves somewhat sidelined within formal regional settings.⁴³

⁴¹ Latika Bourke, “UK to Open Three New Posts in the Pacific, Citing Security Concerns,” *Sydney Morning Herald*, April 20, 2018; Florence Parly, “Asia’s Evolving Security Order and Its Challenges” (speech at the Shangri-La Dialogue, Singapore, June 1, 2019), https://www.defense.gouv.fr/english/salle-de-presse/discours/discours-de-florence-parly/discours-de-florence-parly-ministre-des-armees_allocation-au-shangri-la-dialogue; and “The Papua New Guinea Electrification Partnership,” Prime Minister of Australia, Media Release, November 18, 2018, <https://www.pm.gov.au/media/papua-new-guinea-electrification-partnership>.

⁴² See, for example, “China Cries Foul over Move to Block Huawei,” *Australian*, September 17, 2018.

⁴³ See Greg Fry and Sandra Tarte, eds., *The New Pacific Diplomacy* (Canberra: ANU Press, 2015).

Meanwhile, in trying to drum up regional fears of China's growing role in honoring their alliance commitments, both countries are further damaging the sense of solidarity that exists between them and their island neighbors. Some Pacific Island leaders find the metropolitan powers' rhetoric about the China threat polarizing and patronizing, while others, such as Solomon Islands prime minister Sogavare, have actively sought relations with China as leverage enabling them to "stand up to Australia."⁴⁴

The Pacific Island states have engaged pragmatically with the U.S., Australian, and New Zealand agenda while not buying into its geopolitical logic. They have forcefully foregrounded their own, nontraditional security agenda through the Blue Pacific narrative and the Boe Declaration as a direct pushback against the geopolitical agenda of the metropolitan powers. The Boe Declaration asserts that climate change is the region's primary concern, before acknowledging "an increasingly complex regional security environment driven by multifaceted security challenges, and a dynamic geopolitical environment leading to an increasingly crowded and complex region." It then forcefully restates the region's commitment to the Blue Pacific concept and to the sustainability of peoples and resources.⁴⁵ The document is replete with language declaring that the Pacific Island nations will not tolerate, once again, outside powers imposing their interests and agendas on the region to advance their own, rather than the regional countries', interests. Australia and New Zealand pragmatically signed and have since rhetorically supported the Boe Declaration, even though its identification of climate change as the major security concern is substantially at odds with their own priorities.

Meanwhile, China has also not had its way on everything in the South Pacific in recent years. While Beijing's rhetoric has emphasized its solidarity and the mutuality of its interests with the Pacific Island states, there are growing concerns among these countries that China's activities are deeply threatening to the Pacific's own security priorities. Despite having pledged to take action on climate change, China is still the world's largest emitter of greenhouse gases. It has the world's largest distant-water fishing fleet, which is enabled by generous government subsidies and tax exemptions and poses a major challenge to the sustainability of the Pacific's major resource—its fisheries. China's tuna-fishing fleet in the western-central Pacific has grown from 244 vessels in 2010 to 418 in 2016.⁴⁶ As noted earlier, there is also rising

⁴⁴ Andrew Fanasia, "Taiwan Reacts to Comments," *Solomon Star*, September 13, 2019.

⁴⁵ Pacific Islands Forum Secretariat, "Boe Declaration on Regional Security," September 5, 2018, <https://www.forumsec.org/boe-declaration-on-regional-security>.

⁴⁶ Ethan Meick, Michelle Ker, and Han May Chan, "China's Engagement in the Pacific Islands: Implications for the United States," U.S.-China Economic and Security Review Commission, Staff Research Report, June 14, 2018, <https://www.uscc.gov/sites/default/files/Research/China-Pacific%20Islands%20Staff%20Report.pdf>.

awareness in the Pacific Islands of the Chinese government's repressive actions against Christians in China and growing resentment of the dominance of Chinese businesses. China's overbearing and aggressive diplomacy in the region has also caused major concerns. On two occasions in 2018, at the Pacific Islands Forum in September and during the APEC Leaders' Summit in Port Moresby in November, Chinese diplomats caused offence by aggressively demanding that their views be heard.⁴⁷ Whether these incidents were the result of an increasingly assertive diplomatic culture or an overestimation of China's prestige in the South Pacific, Beijing does not seem to realize that such actions can rapidly undermine years of effort and billions of dollars of investment in trying to build soft power.

There are some very early signs that China may become the cause of discord in the years ahead in what is now a very united region. Some Pacific Island states have expressed concerns about China's actions and activities. In February 2019 the leaders of five Micronesian states called on the Pacific Islands Forum to treat Taiwan and China as equals in its meetings.⁴⁸ Nauru publicly called on China to apologize for its behavior at the summit in September 2018, while Tonga called for the region to urge China to forgive Pacific Island states' debts.⁴⁹ Conversely, other Pacific Island nations have emerged as Beijing's defenders in the Pacific. Fiji protested against Nauru's treatment of the Chinese delegation at the 2018 Pacific Islands Forum summit, and the Samoan prime minister immediately rejected his Tongan counterpart's call for debt forgiveness from China.⁵⁰ The Tongan prime minister withdrew his comments and praised China's generosity shortly afterward.⁵¹ In a region that is producing strong and outspoken leaders, many of whom are being skillfully courted by Beijing, such divisions over China's behavior could become increasingly polarizing.

⁴⁷ See "Nauru Demands China Apologize for 'Disrespect' at Pacific Forum," Reuters, September 6, 2018, <https://www.reuters.com/article/us-pacific-forum-china/nauru-demands-china-apologize-for-disrespect-at-pacific-forum-idUSKCN1LM0HM>; and Josh Rogin, "Inside China's 'Tantrum Diplomacy' at APEC," *Washington Post*, November 20, 2018, <https://www.washingtonpost.com/news/josh-rogin/wp/2018/11/20/inside-chinas-tantrum-diplomacy-at-apec>.

⁴⁸ "Micronesia Calls for Equal Recognition of Taiwan and China at Pacific Islands Forum," Radio New Zealand, February 26, 2019, <https://www.rnz.co.nz/international/pacific-news/383371/micronesia-calls-for-equal-recognition-of-taiwan-and-china-at-pacific-islands-forum>.

⁴⁹ Dzedzic, "Tonga Urges Pacific Nations."

⁵⁰ "China Must Not Write Off Pacific Island Debts, Says Samoan Leader."

⁵¹ Charlotte Greenfield and Jonathan Barrett, "Tonga Backs Down on Pacific Plan to Pressure China on Debt," Reuters, August 17, 2018, <https://www.reuters.com/article/pacific-debt-tonga/tonga-backs-down-on-pacific-plan-to-pressure-china-on-debt-idUSL4N1V82FW>.

Policy Implications

Oceania's new security dynamics have the potential to do great harm to the region, a fact that the South Pacific's traditional partners need to recognize. Several Pacific Island states have histories of fractious internal politics, which are often intensified by allegations of corruption and nepotism. There are real dangers that competing offers of money, capacity building, and infrastructure could exacerbate these internal rivalries to the detriment of both the societies of the South Pacific and the stability of the region. The new geopolitical competition could also ignite dangerous intraregional rivalries, particularly if countries begin to become polarized by supporting one side or another. Several policy implications need to be acknowledged by the South Pacific's traditional partners.

First, the United States, Australia, and New Zealand should regard the key commitments of the Boe Declaration—solidarity, political resilience, and assertion of Pacific interests—as essential elements in Oceania's ability to endure ongoing geopolitical competition in its neighborhood. They must find ways to engage proactively with the Pacific's own security agenda, providing space for the island states to define a collective set of security commitments. In the current environment, the appearance of imposing alien security priorities on the region will be supremely counterproductive. This will be a new experience for the three traditional partners, which are more accustomed to leading rather than following in the region.

Second, the United States, Australia, and New Zealand need to drop their polarizing approaches to the island states' relationships with China. They need to realize that China is in the region to stay, with all the benefits and drawbacks that entails. Resurrecting a *cordon sanitaire* in the Pacific is not feasible or even desirable. Rather, the traditional partners should be working to build the island states' capacity to engage pragmatically with China and other new partners. Concerns about debt must be taken seriously, but not as an anti-China rallying cry. Rather, helping build the capacity of island states to negotiate and manage debt is likely to be a much more effective strategy.

Third, the traditional partners should abandon efforts to compete directly with Chinese initiatives. Doing this cedes the initiative to China and is in effect an admission that its activities are so appropriate to the region that they are worthy of copying. Instead, the United States, Australia, and New Zealand should build on decades of experience in and deep contact with the societies of the Pacific Island region. Despite the alarmism, all three countries have enormous soft power in the region and are its first points of contact when it needs help. Allowing this soft power to erode while competing with Beijing would be a colossal mistake. At this time, the traditional partners must

double down on building soft-power assets across Oceania. New Zealand's and Australia's temporary worker schemes are a huge success in this regard. Australia should reconsider its visa restrictions on Pacific Islanders, which are causing major damage to its image. All three traditional partners should also invest heavily in education and training in the Pacific and encourage sustainable projects. Fiji's and Vanuatu's tourism industries should be a model for other regional economies.

Conclusion

Deepening strategic competition between the United States and China is having increasingly profound impacts across the Pacific. Australia and New Zealand have each seen their relationships with both the United States and China changed. In the current geopolitical environment, neither country can return to the simpler times when it could concentrate on building a security partnership with the United States and an economic relationship with China. Particularly in Australia, there is a growing anxiety about the security implications of economic interdependence with China, and a growing awareness that a potential decoupling of China's and the United States' technology sectors could have serious repercussions. At the same time, Trump's United States poses serious challenges to Australia and New Zealand. It is hard for both governments to discern what Trump's approach to Asia is. Though there is undoubtedly confrontation with China, the place of allies and security partners in the president's thinking is unclear. While both Canberra and Wellington are continuing to build their relationships with the United States, they are seeking new partnerships in Asia as a way of hedging against the turbulence in their relations with Beijing and Washington.

Sino-U.S. rivalry has brought geopolitics to Oceania in a way not seen since 1942. For Australia and New Zealand, this has made their relationships and responsibilities in Oceania vastly more complicated. China's investments and diplomacy in the region have focused attention in the Pacific Island countries on the adequacy of Canberra's and Wellington's past engagement in Oceania. This has coincided with a growing assertiveness among Pacific Island countries in advancing an alternative security agenda prioritizing climate change and transnational security. Australia and New Zealand face the challenge of reassuring Washington that they are up to the task of managing China's presence in Oceania, while at the same time maintaining their access and influence among Pacific Island states. Meanwhile, the United States has become sufficiently alarmed about China's activities in Oceania to have stepped up its own engagement in the region.

Oceania is no longer a strategic backwater that can be “managed” with a light touch by Australia and New Zealand as part of their alliance obligations to the United States. China has compelling diplomatic, strategic, and economic interests to build its presence in Oceania, where the scale of the region will not tax its resources. Moreover, its presence is largely welcomed by Pacific Island governments. As Australia, New Zealand, and the United States respond with their own diplomatic and aid initiatives, Oceania has become awash with offers of infrastructure and capacity-building. Pacific Island governments have engaged with these initiatives without taking sides in the geopolitical competition motivating them. At the same time, they have advanced an alternative security agenda, which they have used to criticize Australia and the United States as not sufficiently committed to action on climate change.

Amid this rising rivalry and proliferation of security agendas, Australia and New Zealand risk losing the access and influence with Pacific Island governments on which their security depends. If they allow their activities to be shaped by direct and polarizing competition with China, they will find themselves increasingly at odds with Pacific Island governments’ own concerns. It is imperative that Canberra and Wellington find a way to engage genuinely with these governments’ security agendas. They need to moderate their competition with China and move away from rhetoric that seeks to scare Pacific Island governments about engaging with Beijing. Most crucially, they should rethink how they capitalize on their insider status within Pacific regional organizations, building on long-term society-to-society relationships to help Oceania manage an enduring phase of geopolitical competition.