US Strategic Objectives in the South Pacific Challenged by Sino-American Competition

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Key Points

- China’s growing influence in the South Pacific has spurred the United States and its regional allies Australia, New Zealand and Japan, to develop closer relations with the Pacific Islands.

- The tactics pursued by Washington have been a combination of close co-operation with its regional allies and the vilification of China’s influence.

- Perceptions of benign neglect have made Washington look out of touch in the Pacific community.

- Washington fears that the implications of the increasing influence of the Chinese Government would include the build-up of Chinese naval capabilities in the South Pacific.

Summary

China’s rise as a peer competitor to the United States has set off alarm bells in Washington. While US policymakers are focussed on the Indo-Pacific, Central Asia and Africa, Washington is currently neglecting a key strategic area that should certainly be in its core interests: the South-West Pacific. China’s diplomatic and economic expansion into the island states of the South-West Pacific has put Australia and New Zealand on alert, but Washington’s response, however, has been lacklustre, consisting of only warnings to the Pacific Island Countries (PIC) about the dangers of China’s “debt trap diplomacy”. As such, the current US strategic
objective for the South-West Pacific is the diplomatic and economic re-engagement with a region that, in many ways, has largely been ignored by Washington since 1945. The end goal for the US is to secure its influence in the region by constraining, if not crowding out, the growing economic and political influence enjoyed by China among many of the PICs. If those efforts are to be completely successful, Washington will need to overcome the perception, largely caused by decades of benign neglect, that the US is aloof and distant in its relationships with the states and territories of Papua New Guinea, Solomon Islands, Vanuatu, Fiji, New Caledonia, Samoa, Tonga, Nauru and Kiribati.

Analysis

The South-West Pacific, other than a small number of brief moments in the global spotlight, has often been overlooked in both historical and contemporary international politics, due to its small populations and vast distance from the centres of power. Despite their close proximity to Australia and New Zealand, and the continuing political links of several PICs with New Zealand, France and the United States, these small island states have often been neglected by both Washington and Canberra. It is that neglect that has created a power vacuum which China is now moving to fill. With Beijing’s presence now being felt much closer to Australia, Canberra is scrambling to regain influence in its “backyard”. Australia’s response has attracted the interest of the United States, which now fears that China’s increasing influence would give Beijing significant geopolitical clout both regionally and internationally, including at forums such as the United Nations. It would also, Washington worries, counter the US military bases at Hawaii and Guam. A region long paid little attention by Washington, it is now arguable that the South Pacific has the potential to
morph into the next theatre of strategic competition between China and the United States, aided by Australia, New Zealand, Taiwan and Japan.

**US Aid and Soft Power**

The nascent Sino-American competition in the South-West Pacific is a combination of economic aspects and soft power projection. Despite the fact that the United States has long had an economic presence in the region, US financial aid to the area has fallen rapidly. The US has gone from being the second-largest donor to all PICs in 2011, behind Australia, to eighth place in 2016.

More recently, though, the US has begun putting cash back into the region. At the 2019 Pacific Islands Forum (PIF), held in Tuvalu, the US Department of State pledged US$36.5 million in additional foreign assistance to the region. The extra amount complements the US$350 million worth of US investments in infrastructure, good governance and security assistance training throughout the Pacific Islands annually. Moreover, the United States is now assisting Tonga with training for resisting the effects of climate change and natural disasters, both of which pose an existential threat to the PICs. It therefore makes sense for the US to increase aid in terms of a retraining programme to both curry favour and deny Beijing a foothold in the PICs. Yet, these efforts are not enough to offset Beijing’s growing clout in countries such as Papua New Guinea (PNG) and Fiji. PNG for example, attracted US$2.1 billion, of which 73 per cent of the total investments came from China in 2017.

What the United States has done is to offer support for Australia in its own relationships with the PICs. Indeed, Canberra still remains the largest donor to the PICs, with US Secretary of State Mike Pompeo encouraging deeper multilateral ties between Australia and the PIC through the “Pacific Step-up” policy. The strategy, based as it is, on economics, effectively rests on the hope that the US can bring together a broad coalition consisting of Australia, New Zealand, Taiwan and Japan to collectively tip the balance of favour towards Washington’s interests; to be, in effect, an economic force multiplier. Unlike Washington, Beijing does not have anything like the same network of friends and alliances upon which it may draw.

**US Diplomatic Tactics**

The contributions of US-aligned aid would in turn, be part of a tactic to counter one of Washington’s deep underlining fears, the possible militarisation of the PICs under Chinese control. With increased US aid and infrastructure investments, Washington hopes that its presence, in conjunction with Australia, would help not only constrain Beijing, but also assist Taiwan, which is rapidly losing political and diplomatic status in the South Pacific.

Indeed, Washington’s diplomatic tactics have been predicated on attempts to sow fear and mistrust over the sincerity of Chinese investments and aid. The rhetoric from Washington surrounding the Chinese “debt trap” has been replicated by Taiwan, which has mimicked Washington’s warnings. It has had some resonance in certain quarters of the PICs, most notably the Solomon Islands, in which 16 parliamentarians issued a joint letter, warning Prime Minister Manasseh Sogavare against getting too close to Beijing. Likewise, Philippe
Gomès, the leader of the *Calédonie Ensemble* (Caledonia Together) party of New Caledonia, warned prior to the 2018 independence referendum that separating from France would lead to the territory becoming a “Chinese colony”.

By successfully sowing doubts about the intentions of China in the PICs, the US could reposition itself as the custodian of the PICs’ sovereignty and security. Washington’s claim would be aided by diplomatic support from Australia, New Zealand and Japan. This tactic would be spearheaded through US encouragement of further *regionalism*, such as the Pacific Islands Forum (PIF); presumably under the leadership of Australia and New Zealand. As such, the tactic is very much a carrot and stick approach, in which the carrot is increased financial aid in co-operation with regional US allies and the stick being the stoking of mistrust of Chinese expansionism. That in turn, complements Washington’s *Free and Open Indo-Pacific strategy*, which is aimed at challenging and countering China’s ambitions in the broader Indo-Pacific.

**Perception of Neglect**

Washington’s tactics have not always borne fruit, however. If anything, a number of PICs have become more wary of the US. Washington’s strategy of countering Beijing’s ambitions in the South-West Pacific faces some significant challenges.

The biggest stumbling block for the US is the attitude of benign *neglect* towards the Pacific Island countries that, with the exception of certain brief moments, has traditionally prevailed. The perceived unimportance of their countries has led some Pacific Islanders to view the Western powers as being aloof, distant and condescending. Washington’s insistence, on which partners the PICs can and cannot enter into trade relations with, for instance, is in contradiction to the US stance of *self-rule and sovereignty* of the PICs. This perception is not helped by the few and sporadic visits by high-ranking US officials to the Pacific Islands. Thus, Washington needs to thread carefully in addressing the issue of China in a region that increasingly does not view Beijing as a threat and that instead perceives rising sea levels to be a greater overall danger.

For Pacific Island leaders, another incidence of that attitude occurred on 16 August 2019, when Prime Minister Scott Morrison came under heavy *diplomatic fire* from almost all of his contemporaries at the 2019 Pacific Islands Forum in Tuvalu. Morrison defended Australia’s continued interest in coal production, in a forum in which his fellow leaders wanted to see the issues of climate change and coal usage addressed. Fijian Prime Minister Frank Bainimarama accused Australia of being ‘insulting and condescending’, and castigated Australia for being concerned at China’s increasing presence in the South Pacific. Bainimarama was particularly harsh in his criticism, stating:

‘China never insults the Pacific. You say it as if there’s a competition between Australia and China. There’s no competition, except to say the Chinese don’t insult us. They don’t go down and tell the world that we’ve given this much money to the Pacific islands. They don’t do that. They’re good people, definitely better than Morrison, I can tell you that.’
The 2019 Pacific Islands Forum was, for all intents and purposes, botched. For the US, Canberra’s poor diplomatic performances were a strategic setback in Washington’s efforts to woo the PICs through a co-ordinated effort of the US Indo-Pacific allies. For Australia, it was a political embarrassment as it only reaffirmed suspicions among the PICs about Canberra’s commitment to combating climate change, the effects of which will affect small island states more rapidly and severely. Australia’s Step-up Policy may have weakened as a result of the incident, although New Zealand’s Pacific Reset Policy managed to avoid stumbling, albeit in an awkward environment.

Taiwan and the “China Card”

Likewise, the recent announcements, within the space of a week, from the Solomon Islands and Kiribati that they were switching their diplomatic recognition from Taipei to Beijing, was a political blow to Taiwan, the US and Australia. Of the 15 states that still recognise Taiwan as an independent entity, four are PICs. Despite the fact that Australia has been for a long time the largest donor of aid to the PICs, China’s modus operandi of having no “political strings attached” and fast infrastructure development is evidently far more enticing to the island states. In return, a few of the Pacific Islands may welcome a Chinese military presence as a balance to Canberra. Indeed, Solomon Islands Prime Minister Manasseh Sogavare stated that Beijing could assist Honiara in ‘establishing a military force’. Earlier, Vanuatu came under scrutiny for an alleged deal to establish a Chinese naval base there. Although discredited, if true, it would have significantly undermined the US strategic aim of denying China the South Pacific.

Mr Sogavare’s statement and the alleged Vanuatu deal alarmed Washington and Canberra, but, from the perspective of the Pacific Island Countries, it is an understandable political tactic. By playing the “China Card”, Honiara and Port Vila (allegedly) indicated their willingness to utilise the immense political leverage that could come from working more closely with Beijing. Despite their otherwise small political stature, it became much harder for Washington (and, for that matter, Canberra and Wellington), to ignore them, even if only for a time.

Yet, the US still seems largely oblivious as to why the Solomons and Vanuatu were apparently interested in getting closer to Beijing. Washington did not help itself when it lambasted the Solomon Islands for abandoning Taiwan and then mused about reassessing the US commitment to aid in the Solomons. For Honiara, the response only reaffirmed suspicions about Washington’s sincerity. Such a harsh response risks making Washington look like a hypocrite, because the US had previously explicitly championed the idea of independence of action for the Pacific Island states.

Implications for the Next Ten Years

Due to its longstanding neglect, despite being a Pacific country itself, US influence in the South Pacific has atrophied significantly, to the point that Washington effectively relies on Australia and New Zealand to “oversee” the region.
Despite the US strategy to recommit itself to the South Pacific, Washington’s performance in achieving the overarching strategic objective of securing US political and economic dominance in the region has been unimpressive, particularly if one accepts the notion that Washington now views Beijing as a peer competitor. For the United States, denying China a foothold in the South-West Pacific is important in terms of maintaining US global pre-eminence. The best way for Washington to increase the respect that it gets from the PICs will be for it to be sincerely committed to combating climate change, which the PICs view as far more of an existential threat than any great power competition.

Given the scepticism towards climate change in the Trump Administration, however, it is hard to see that proposition becoming reality. To further complicate matters, global aid to the PICs has fallen over the past several years, even in spite of US commitments to increase aid to the island states. Likewise, while Australia welcomes an increased US political and economic presence, the policy stance as enunciated at the 2019 PIF works against Australian and, by extension, US efforts in the Pacific. Such contradictions do not complement US objectives in the region; if anything, they serve only to complicate US strategy in the South-West Pacific. Over the coming decade, and regardless of who occupies the White House, it is conceivable that the tactics deployed by Washington in the region may be little more than lip-service, lacking any deeper foundational support.

Indeed, Washington’s self-constrained influence is stark when one considers that, of the 17 members of the PIF (barring Australia), only two are firmly under US influence. The Marshall Islands and Palau remain fully committed to supporting US policy in the region, given the deep historical and military links between Majuro and Ngerulmud respectively. When one considers that these two Island states are under the Compact of Free Association (COFA) and thus, are associated states of the US, however, it is not surprising that Washington has significant diplomatic and security leverage over them. Only Micronesia departed from the status quo when it came to the recognition of Beijing over Taipei, which highlights that even those PICs that are under the COFA umbrella are not immune to Chinese influence.

If, over the next ten years, Beijing does receive approval to construct naval facilities (which, admittedly, would be small in size) in the South-West Pacific, it would significantly boost the ability of the People’s Liberation Army Navy to inhibit both the US and Australia in that region. If that were to happen, it would serve the interests of neither Washington, Canberra, nor, in all probability, the Pacific Island Countries themselves.

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