

China in the South Pacific: A Strategic Threat?

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China is now a major player in the South Pacific. Many analysts have explored the motivations behind China's involvement in the South Pacific. Some are concerned that China is strategically motivated and China's growing influence poses a major threat to the West. However, there is no clear evidence to suggest that China's deepening involvement in the South Pacific is a calculated strategic move for its military security. The move can be strategic mainly in the sense that it has strong implications for China's reunification strategy and it serves China's long-term development strategy. The South Pacific has little strategic value to China's national security at the present or in the foreseeable future. Chinese influence in the region is not deep-rooted and is largely based on its 'no-strings-attached' aid and its increasing economic interactions with the region. China has neither the hard power nor the soft power to dominate the region.

China's influence in the South Pacific appears to be growing rapidly. China now has the largest number of diplomats in the region. It is observed that 'It is now accepted routine that the first official overseas visit by a new head of government from the region is made to Beijing, not to Canberra, Washington or Wellington.'¹ China is reportedly one of the region's top three aid donors. Its estimated annual aid to the region is somewhere between US\$100 million and US\$150 million, which represents a rapid increase although it is much smaller than Australia's over US\$400 million.² Chinese official statistics show that China's trade with the 14 island states that make up the Pacific Islands Forum (excluding Australia and New Zealand) has increased from US\$121 million in 1995 to US\$1,229 million in 2006.

Concerns

Analysts have made efforts to explore the motivations behind China's deepening involvement in the South Pacific. Some argue that China wants to secure South Pacific nations' votes in international organisations. Others note the growing Chinese communities in the region and Beijing's responsibility to protect the Chinese diaspora. Most observers focus on Beijing's diplomatic rivalry with Taipei, China's economic interests, its thirst for natural resources, the rise of China, and increasingly, China's strategic interests.

What has been pervading the English language literature is a concern about China's role in the region. These analysts are worried that the chequebook diplomacy rivalry between Beijing and Taipei is 'making Pacific political rugby more corrupt and more violent.'³ Some are worried that China might be increasingly involved in the internal affairs of Pacific island states because of the growing Chinese communities in the region.

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A deeper concern is that China's growing influence in the South Pacific has strategic implications. China's deepening involvement in the region coincides with the waning influence of the United States and its European allies. John Henderson and Benjamin Reilly claimed that 'China's long-term goal is to ultimately replace the United States as the pre-eminent power in the Pacific Ocean.'⁴ As a result, it could no longer be taken for granted that Oceania would remain a relatively benign 'American lake'. More alarmist analysts have even suggested that the Pacific Ocean could in future become the venue for a new Cold War, where the United States and China compete for client states and strategic advantage.

China's grand strategy

A grand strategy is a country's 'basic approach to politico-military security.'⁵ China's politico-military security concerns are three-fold: external security threats, internal instability and the Taiwan issue. Chinese leaders see no major military clashes between China and other great powers before 2020. They deemed the first two decades of the 21st century 'an important period of strategic opportunities' for China's economic development.

More imminent security concerns to Chinese leaders are not externally caused but come from within. As an undemocratically elected government with a controlled society in a globalised world, Beijing is acutely aware of its vulnerability. Marxism or a Communist utopia is no longer appealing to the Chinese and the Chinese economy is now more capitalist than socialist. Beijing has a persistent sense of internal crisis. It faces a number of explosive issues, especially the widening gap between the rich and the poor, mass unemployment, environmental degradation and rampant corruption.

On the Taiwan issue, the ruling pro-independence Democratic Progressive Party's crushing defeat in December 2007 Parliament elections and March 2008 Presidential elections may be a relief to Beijing. However, the growing Taiwanese identity, as opposed to Chinese identity, poses a major challenge to Beijing's reunification strategy.

China's grand strategy thus consists of three components—national security strategy, national development strategy and national reunification strategy. National security strategy is based on diplomatic strategy and national defence strategy. National development strategy is more complicated. It encompasses economic, political, technological, social and cultural development strategies. National reunification strategy is largely embedded in other two strategies.

The South Pacific plays an important role in Beijing's reunification strategy. This is highlighted by the fact that six of the 23 countries that have diplomatic relations with Taipei are in the South Pacific. Thomas Biddick noted just before the end of the Cold War that Beijing and Taipei had been and remained most immediately concerned with their competition for diplomatic recognition and political influence in the South Pacific.⁶ To halt and reverse diplomatic recognition of Taiwan remains 'the main driver' of Chinese aid to the region.⁷

The South Pacific has a small but fairly significant role to play in China's national development strategy. As mentioned earlier, the trade volume between China and the 14 island states has increased substantially in recent years albeit from a low base. Chinese investment in the region has also been growing. It is believed that in

2005 about 3,000 state and private Chinese companies were doing business in the South Pacific, with nearly US\$1 billion invested in hotels, plantations, garment factories, fishing and logging operations. In addition, service industries, such as tourism, have a great potential. More importantly, China has a demand for the natural resources found in the South Pacific, including fisheries, minerals, gold, copper, lumber, timber, and some hydrocarbons. An oft-cited example is the majority Chinese-owned nickel mine in Papua New Guinea's (PNG) Madang province. It is one of the biggest offshore mining developments undertaken by a Chinese company valued at US\$800 million.

On the other hand, it should be noted that resources are a 'secondary interest'⁸ and China's economic interests in the South Pacific are still limited. The trade volume of US\$1.2 billion in 2006 was a tiny fraction of China's total trade of US\$1,760 billion in the year. The region does have valuable natural resources. But on the whole, it is not resource rich. Pacific ocean-floor resources are difficult to extract in the foreseeable future. Internal instability, such as that in PNG remains a challenge to China's economic interests in the region.

South Pacific in China's national security strategy

China's deepening involvement is often portrayed as part of a longer-term political and strategic investment aimed at challenging the leadership of the United States in the greater Asia Pacific region. More specifically, it has been suggested that China could set up missile bases in the region to attack American warships. George Friedman, CEO of the US-based private intelligence corporation Stratfor, claimed in 2001 that China could place some antiship missiles on a number of South Pacific islands and 'if . . . U.S. carriers came sailing through from Pearl Harbour, things could get very nasty.'⁹

To some observers, China is playing a well-planned long-term strategic game in the South Pacific. We are reminded that 'Chinese involvement in improving infrastructure such as airports, bridges, and highways, as well as seeking agreements to allow Chinese ships in Pacific EEZs, may have strategic implications in the future.'¹⁰ Others believe that increased Chinese tourism and migration are part of Beijing's 'economic and strategic penetration of Oceania.'¹¹

The assumption of China placing missiles in the region is largely based on the Western worry over China's 'second island chain' strategy—running from west of the Aleutians down through the Marianas to the eastern extremities of PNG. The concept of three 'island chains' originated from Admiral Liu Huaqing's 1988 instruction to the People's Liberation Army Navy (PLAN) to establish a long-term development plan. According to this strategic plan, by 2010 the PLAN should have established a blue-water presence in the first island chain running south from Japan past Taiwan to the Philippines, followed by the second island chain by 2025 and the third island chain, extending from the Aleutian Islands in the north to Antarctica in the south by 2050. This is easier said than done, however. China's military modernisation started from a very low point. David Shambaugh has observed that the PLA had been implementing reforms for more than a decade when the 1991 Gulf War 'starkly demonstrated that it was still operating in terms of a bygone era of warfare.'¹² Beijing has since made an effort to speed up its defence modernisation. However, without access to equipment and technologies from the West, the PLA has found it difficult to close the conventional weaponry and defence technology gaps with the

West. 'Indeed, these are steadily widening,' according to Shambaugh.¹³ On the other hand, Robert Ross has noted that 'Chinese military and regional political advances to date reflect its improved ground force and land-based capabilities. But the United States keeps the peace and maintains the balance of power in East Asia through its overwhelming naval presence.'¹⁴

The South Pacific's value to China's national security should not be exaggerated. As mentioned earlier, Beijing does not see an imminent military threat. Beijing's top security concern has been the Taiwan issue. In recent years, the supply of energy and natural resources has become an increasingly important security issue. Much of the South Pacific is too far away from the Taiwan Strait to be part of China's limited military strategy to attack Taiwan. And, as Wesley-Smith points out, 'None of the island states lie close to the strategic sea lanes that service the bulk of China's trade in energy and raw materials or, for that matter, to other important trans-Pacific commercial or military sea routes.'¹⁵

Washington understands this well. It deems much of the vast South Pacific unimportant strategically. However, it maintains a firm control over the northern part of the 'second island chain', particularly Guam and the Northern Mariana Islands where the US military could stage and manoeuvre in the event of any conflict with China over Taiwan. In addition, it has the Free Associated States (FAS) the Republic of Marshall Islands, the Federated States of Micronesia, and Palau. Together with Guam and the Northern Mariana Islands, they form a security perimeter of the United States. The United States could build military facilities in Palau but so far has found it unnecessary. Under the Compact of Free Association, the United States is obliged to defend the FAS against attack or threat of attack. Washington may block FAS government policies that it deems inconsistent with its duty to defend the FAS, the so-called 'defence veto.'¹⁶

China's soft power

The China threat discourse sees China's growing influence as Beijing's 'soft' power. Susan Windybank warned in 2005 that the United States had underestimated China. While Washington was watching China's 'hard' power, China had been building up its 'soft' power in the South Pacific. 'Through a combination of trade, aid and skilful diplomacy, Beijing is laying the foundations for a new regional order with China as the natural leader and the United States as the outsider,' Windybank pointed out.¹⁷

By definition, soft power is different from influence. Influence can be achieved by various means, including force and bribery. In contrast, according to Joseph Nye who coined the term, soft power is 'When you can get others to admire your ideals and to want what you want,' and therefore 'you do not have to spend as much on sticks and carrots to move them in your direction.'¹⁸ Thus soft power is related to how a country is seen in the world as a model to emulate or follow.

While China's influence has increased, its 'soft power' remains weak as it has numerous image problems in the region. First of all, ideological differences still exist between the South Pacific and China. The South Pacific nation's strong Christian traditions encourage firm anti-Communism. Secondly, Chinese nationals and immigrants are doing much damage to China's image. It is observed that the recent influx of Chinese immigrants are resented by local islanders because they compete with locals for jobs and are seen as corrupting local officials and politicians. Thirdly,

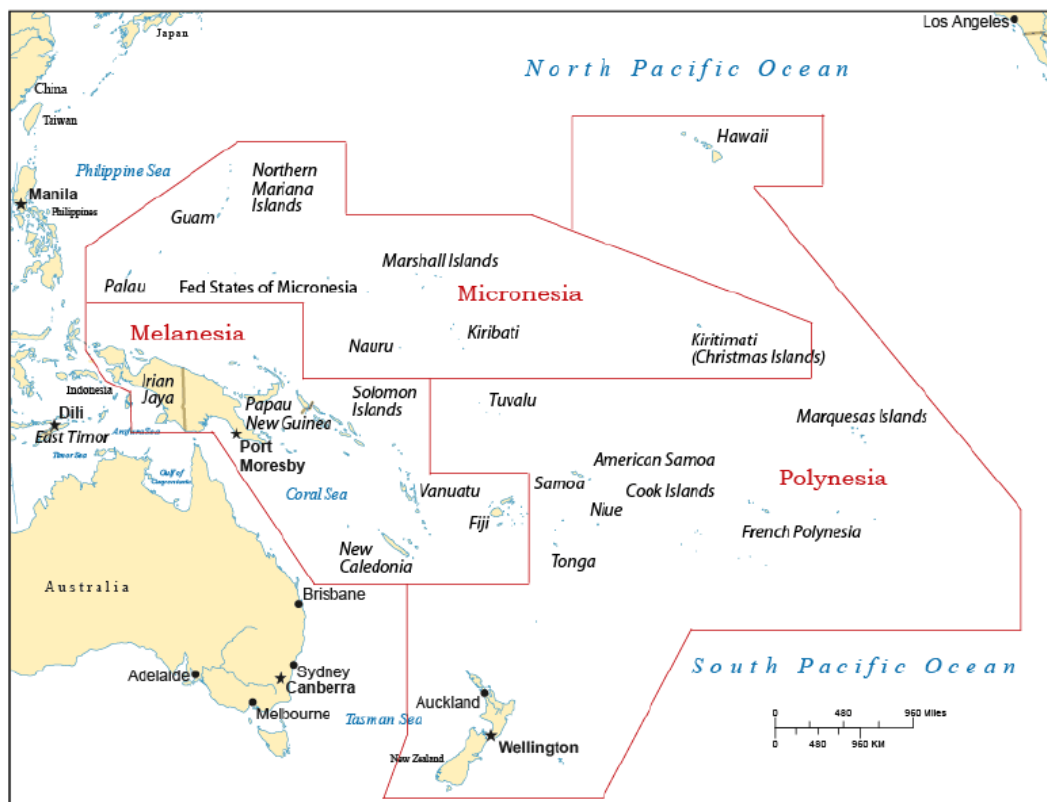
there is a rather strong resentment against ethnic Chinese business in the region. Riots targeting at Chinese businesses broke out in the Solomon Islands and Tonga in April and November 2006 respectively.

Western 'soft power'

Standing in comparison to the poor image of China is the rather positive image of the West in the region, represented by the United States, its ally Australia and its long-time 'friend' New Zealand which is now regarded as a US ally again.¹⁹ This is especially the case at the grass roots level of the island societies, where China's 'no-strings-attached' loans to governments and elites have less influence.

The South Pacific includes three broad ethno-geographic areas — Melanesia, Micronesia and Polynesia (see Figure 1). The United States has predominant soft power in Micronesia. As mentioned earlier, the Republic of Marshall Islands, the Federated States of Micronesia and Palau remain freely associated with the United States under a 'compact relationship'. Under the Compact, Micronesians can live, work, and study in the United States without a visa. American influence is not limited to Micronesia. Between June and December 2004, Tonga provided a unit of 45 troops as part of the US coalition in Iraq. This is the kind of soft power China can only dream of.

Figure 1. Pacific Island Countries and Cultural Areas²⁰



While the United States focuses its significant soft power in Micronesia, Australia exerts its influence across the South Pacific, particularly in Melanesia. Despite Australia's colonial history in the region and the 'perceived big brother syndrome',²¹ the governments of the Pacific Islands still turn to Canberra for help at times of crisis. Canberra played a crucial role in the Bougainville peace process in the 1990s. Since 2003, Australia has sent a large number of peace-keeping forces and channelled millions of dollars to one of the unstable countries in this region, the Solomon Islands, through the Regional Assistance Mission to Solomon Islands (RAMSI) which is led by Australia.

New Zealand's soft power is most visible in the South Pacific countries to its north and northeast, the Polynesian cultured region. Among all the regional actors, New Zealand shares perhaps the strongest cultural ties with the South Pacific, a crucial element of soft power. About 6.9 percent of New Zealand's population is Pacific Islander. Auckland is often described as the largest Polynesian city in the world. New Zealand is the home of a significant proportion of Pacific islanders. Sometimes the number of islanders living in New Zealand outnumbers those remaining in their native country. For example, 79 percent of Cook Islanders, 81 percent of Tokelauans, 93 percent of Niueans live in New Zealand.²² Tonga, Samoa and Tuvalu also have significant proportions of their populations living in New Zealand.

Along with France, which continues to maintain its overseas territories in the South Pacific, the Western powers' spheres of influence continue to blanket the entire region they have done since colonial times.

To conclude, there is no clear evidence to suggest that China's deepening involvement in the South Pacific is a calculated strategic move for its military security. The South Pacific has little strategic value to China's national security at the present or in the foreseeable future. Chinese influence in the region is largely based on its 'no-strings-attached' aid and its increasing economic interactions with the region. China has neither the hard power nor the soft power to dominate the South Pacific.

Notes

¹ John Henderson and Benjamin Reilly, 'Dragon in Paradise: China's Rising Star in Oceania', *The National Interest*, 72 (Summer 2003), p. 95.

² Fergus Hanson, 'The Dragon in the Pacific: More Opportunity than Threat', Lowy Institute for International Policy, June 2008, p. 3.

³ Graeme Dobell, 'China and Taiwan in the South Pacific: Diplomatic Chess versus Pacific Political Rugby', Lowy Institute for International Policy, January 2007, p. 10.

⁴ Henderson and Reilly, pp. 94-95.

⁵ Michael D. Swaine and Ashley J. Tellis, *Interpreting China's Grand Strategy: Past, Present, and Future* (Santa Monica, CA: RAND, 2000), p. ix.

⁶ Thomas V. Biddick, 'Diplomatic Rivalry in the South Pacific: The PRC and Taiwan', *Asian Survey* 20:8 (1989), p. 801.

⁷ Hanson, p. 3.

⁸ Hanson, p. 4.

⁹ Elizabeth Feizkhah, 'How to win friends. . . Beijing is courting tiny Pacific nations', *Time International* 157:22 (4 June 2001), p. 34.

¹⁰ Tamara Renee Shie, 'Rising Chinese Influence in the South Pacific', *Asian Survey* 47:2 (2007), p. 322.

¹¹ Bertil Lintner, 'The Sinicizing of the South Pacific', *Asia Times*, 18 April 2007; accessed at <http://www.atimes.com/atimes/China/ID18Ad02.html>, 19 March 2008.

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- ¹² David Shambaugh, *Modernizing China's Military: Progress, Problems, and Prospects* (Berkeley: University of California Press, 2002), p. 3.
- ¹³ Shambaugh, p. 330.
- ¹⁴ Robert S. Ross, 'Assessing the China Threat', *The National Interest*, 81 (Fall 2005), p. 83.
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- ¹⁶ Thomas Lum and Bruce Vaughn, 'The Southwest Pacific: U.S. Interests and China's Growing Influence', Congressional Research Service (CRS) Report, 2007, p. 7.
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- ¹⁸ Joseph S. Nye, *Soft Power: The Means to Success in World Politics*, 1st ed. (New York: Public Affairs, 2004), p. x.
- ¹⁹ Audrey Young, 'Rice hints at thaw in US-NZ relations', *New Zealand Herald*, 26 July 2008; accessed at http://blogs.nzherald.co.nz/blog/audrey-young/2008/7/26/rice-hints-thaw-us-nz-relations/?c_id=280, 12 August 2008.
- ²⁰ Lum and Vaughn, p. 27.
- ²¹ The Senate - Foreign Affairs, Defence and Trade References Committee, *A Pacific Engaged: Australia's Relations with Papua New Guinea and the Island States of the Southwest Pacific* (Canberra: Commonwealth of Australia, August 2003), p. 158; accessed at http://www.aph.gov.au/senate/Committee/FADT_CTTE/completed_inquiries/2002-04/png/report/index.htm, 20 July 2008.
- ²² Fuimaono Les McCarthy, 'New Zealand's Pacific Advantage' in John Henderson and Greg Watson (eds.), *Securing a Peaceful Pacific* (Christchurch: Canterbury University Press, 2005), p. 44.

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