**Push and Pull: South Pacific Regionalism and Sino-Western Soft Balancing**

**Marc Lanteigne, Norwegian Institute of International Affairs**

*Email: marc.lanteigne@nupi.no*

(Comments welcome. Draft copy only. Please do not cite without permission of the author.)

June 2016 – ISA-HK

---

*He iti kai mā te kotahi e kai, kia rangona ai te reka.*

(‘If something is too small for division, do not try to divide it.’)

-Maori proverb

**Introduction**

Although there has been much written about the emerging roles and effects of the ‘pivot’ or ‘rebalancing’ policy which has been undertaken by the Obama government in the United States since 2011, much of the focus has been around the Western Pacific, specifically the relationship between China and its neighbours in East and Southeast Asia. However, the restructuring of American policies in the Pacific has also begun to have an effect on the South Pacific as well, as that region finds itself the subject of greater diplomatic competition between the West on one side, specifically Australia, New Zealand and the United States, and emerging Asian actors on the other including China as well as India, Japan, Southeast Asia and Taiwan. This competition is not based on hard power or military policies, but rather about economic cooperation, including aid and assistance policies, and regime-building. While it has been suggested that the Western Pacific is at high risk of hard power balancing, especially in disputed maritime areas such as the East and South China Seas and possibly in the Indian Ocean, these uncertainties are not present in the regions of Melanesia, Micronesia and Polynesia. The geography of the South Pacific is far different, dominated by small island states (and ‘large ocean states’) with more limited resources and accessibility.

Nonetheless, there has been a growing degree of rivalry in the South Pacific between Asia and the West, with China emerging as the ‘alternative partner’ for regional governments as Beijing enhances its diplomatic contacts but also develops stronger economic and aid policies to assist many of the small island developing states (SIDS) which dominate the region. In some cases, such as Papua New Guinea (PNG), resources have factored into Chinese South Pacific diplomacy. However, in many other cases of Chinese South Pacific diplomacy, there has been a greater focus on developing partnerships, bolstered by loans and infrastructure projects as well as participation in regional regimes such as the Pacific Islands Forum (PIF) but also sub-regional organisations such as the Melanesian Spearhead Group (MSG) and the Pacific Island Development Forum (PIDF). The economic impact of these agreements on China has been minor, but the result has been a growing Chinese presence in the region, calling into question the future roles of the traditional ‘big brothers’ of the region, Australia and New Zealand, which have been criticised by some South Pacific states, especially Fiji, for their policies which link aid to economic and governmental reforms. China, as well as other non-OECD economies, have developed more of a ‘no strings’ approach to South Pacific aid.

With the United States deepening its Asia-Pacific presence, it remains to be seen whether the South Pacific will play a greater role in these policies as the country moves towards its next election and may experience a considerably shift in its foreign policy
priorities. The other emerging wild card in the region however is Taiwan, which maintains diplomatic relations with six South Pacific states, namely Kiribati, Marshall Islands, Nauru, Palau, Solomon Islands and Tuvalu. During much of the 1990s and early 2000s, Beijing and Taipei were locked in ‘chequebook diplomacy’ in the region, often tying diplomatic recognition with generous aid and economic incentives. When President Ma Ying-jeou was elected in Taiwan in 2008, warming cross-strait relations including a de facto diplomatic truce, with both governments agreeing to avoid open inducement of each others’ diplomatic partners include in the Pacific. This ‘truce’ however appears to be in decline after Beijing accepted recognition by Gambia in March 2016. Gambia had cut ties with Taipei in 2013 in the hopes of receiving Chinese recognition and increased aid. However, Beijing opted to observe the truce and ignore the Gambian government’s overture. With the coming to power of Tsai Ing-wen of the Democratic Progressive Party, however, China agreed to ‘restore’ relations with Gambia, likely as a warning to the incoming DPP government about seeking greater autonomy. At present, there appears to be no overt sign that Beijing is seeking to turn Taipei’s partners in the South Pacific, but should direct competition recommence, China would be in a much stronger position to sway the small states of the region to recognise the People’s Republic.

The diplomatic and strategic situation in the South Pacific, given the introduction of new actors in the region, including Beijing, and the deepening of regional interests of more traditional actors such as Australia, Japan, NZ and Taiwan, is best described as a ‘soft balancing’ situation, meaning power balancing using non-military means, including via economic cooperation and competition as well as through structural power via regional institutions. While it is highly unlikely that soft balancing behaviour in the region will erode into more conventional hard balancing, the overall strategic framework of the region will progressively be dominated by the vying for diplomatic and economic linkages with South Pacific island states by both veteran and novice outside actors.

**China and Taiwan in the Pacific**

Since the ambitious economic reforms of the late 1970s, China grew from a closed, command economy with little impact on even regional economies, let alone global, to the second-largest economy in the world by 2010 with much speculation that it would achieve the top position before the end of that decade. During the 1990s, when China sought to accelerate its market reforms and improve its foreign standing following the Tiananmen Incident in 1989, Beijing’s foreign policy focussed primarily on the United States as well as its own immediate neighbours, with some of which, including India, Russia and Vietnam, China had experienced direct conflict. The main goals of China’s ‘peripheral’ (zhoubian 周边) diplomacy during this period were to prevent further border conflicts, assure surrounding nations that Beijing was no longer seeking to export its ideology or press its influence outward, and to concentrate on complex political restructuring and economic reforms necessary to modernise the country. Despite some issues, such as the status of the breakaway province of Taiwan and occasional

---


brushes with American interests in Asia, China’s regional diplomacy enjoyed several successes.

After China experienced its first peaceful transfer of government in 2002-3, with Jiang Zemin stepping down in favour of Vice President Hu Jintao, China’s foreign policy interests also shifted considerably. Although US relations were still of top priority, the Hu government continued to seek warmer ties with Asia through a series of diplomatic initiatives and economic incentives, a process often referred to internationally as China’s ‘charm offensive’ (meili gongshi 魅力攻势) or ‘smile diplomacy’ (weixiao weijiao 微笑外交). China began to look much further afield as its political and economic interests grew, and the Hu administration in China will be known as the period which touched off an era of Chinese ‘cross-regional’ diplomacy (kuaquyu weijiao 跨区域外交), and the time when China began the first steps to becoming a global power. In North America and Europe as well as in Japan, China began to develop as an indispensable economic partner despite frequent differences over Beijing’s trade and financial policies.

The global financial crisis after 2008, which battered many rich economies, only further underscored the seeming resilience of the Chinese economic system accompanied by the overall shift in economic power on a global scale towards Asia. In many parts of the developing world, notably in Africa, Latin America and Central Asia, resource trade and joint development bore the mark of much Chinese diplomacy. As China’s economy continued to grow, spurred on by manufacturing and exports, the need for raw materials and energy to sustain this juggernaut prompted Beijing to expand its foreign affairs further outward in search of new supplies. Beijing’s ‘resource diplomacy’ (ziyuan weijiao 资源外交) has become a common sight in parts of the world well removed from Asia.

The Pacific region did not prove an exception to Beijing’s global economic push, despite considerable differences between this region and the others in which China has increased its presence. First and foremost, the geography of the Pacific is like no other part of the world, developed or developing. The ocean itself covers about almost one-third of the earth’s surface (about 165 million square kilometres), stretching from the Bering Sea in the Arctic to the waters of the Ross Sea in Antarctica. The ocean’s largest landmass, not counting Australia, is the island of New Guinea measuring approximately 786,000 square kilometres. The other islands in the region are much smaller, with for example Fiji at just over eighteen thousand square kilometres, Nauru at approximately twenty-one thousand and Tokelau with twelve thousand.

However, many Pacific island states, despite their small landmasses, often oversee massive economic maritime zones under their legal jurisdiction. For example, the widely-spread archipelago comprising the Pacific nation of Kiribati possesses a maritime exclusive economic zone (EEZ) of 3.55 million km$^2$, which is larger than the entire land mass of India.

---


Communications, transportation and trade are thus great challenges for any outside actor under those conditions, while the island states themselves have had to factor in geography when cooperating politically and economically with each other and with other parts of the world. Second, while there are some exceptions, including the considerable mineral and energy wealth in Papua New Guinea and prized fish stocks in much of the South Pacific, the region as a whole does not provide the same amounts of raw materials which have motivated Chinese diplomacy in other developing regions, especially sub-Saharan Africa. Although China’s diplomatic interests in the Pacific are not as strong as in Africa or other regions, Beijing has begun to not only widen its Pacific diplomacy but also to deepen it in several ways.

China’s Pacific Ocean interests are not new, although it was only at the turn of the century when Beijing could focus a substantial amount of political interest and accompanying investment in the Pacific region in keeping with its cross-regional diplomacy and expanded economic power. Prior to the presidency of Hu Jintao, much of China’s interests in the region were based primarily on diplomatic goodwill, as Beijing recognised the region, along with Africa, Latin America and other developing areas, as having a degree of kinship with China based upon similar histories of colonialism. As one Chinese government representative noted in 1986, Beijing at the time was seeking non-alignment, solidarity with other parts of the ‘Third World’, non-hegemonism and mutual economic benefit in many parts of the world, including the Pacific region, and the Chinese government at the time reacted with concern at the possibility of greater superpower competition in the ocean.6

The Pacific, like other developing areas, was factored into Beijing’s foreign policy of the Five Principles of Peaceful Co-existence, (respect for sovereignty, non-aggression, non-interference in domestic affairs, equality and mutual benefit and peaceful coexistence). Although China’s economic power has grown considerably since that time, making it much more difficult for Beijing to portray itself as a developing economy, Chinese diplomacy towards the Pacific has nonetheless retained many vestiges of ‘South-South solidarity’. China has stressed the idea that as a former victim of colonialism and possessing an economy which, despite its gains, is still modernising in many ways, the country could not and should not be lumped in with other great powers in its dealings with developing regions in the Pacific.

In the realm of realpolitik, however, there was another major impetus for China to maintain and then increase its diplomatic initiatives in the South Pacific region, namely the competition with the Republic of China (Taiwan). Since the founding of the PRC in 1949, it steadfastly maintained that other states would not be permitted to recognise both it and the government of Taiwan, and sought to stave off any attempts by Taipei to legitimise its government by securing allies in the developing world. By the time the People’s Republic regained its seat in the United Nations in 1971, Taiwan had been steadily losing diplomatic ground as both developed and developing states switched recognition to the PRC.

Until 2008, the South Pacific, along with Africa and Latin America, had been a key diplomatic battleground between Beijing and Taipei over formal recognition, and frequently as an arena for ‘chequebook diplomacy’ (zhipiaobu waijiao 支票簿外交) between both sides as overt financial incentives were frequently part of concentrated diplomatic persuasion for a given Pacific state to recognise one side or the other. The lack of strong economies in the South Pacific, especially those with limited resources and mired in ‘MIRAB economics’,

---

referring to migration, remittances, aid and bureaucracy, and affected by geographic isolation, made many of the island governments especially susceptible to these types of chequebook diplomacy, especially since both sides, unlike Western aid donors, were willing to overlook domestic governance and economic conditions.

These games were abruptly paused when the 2008 elections in Taiwan resulted in the Nationalist (Kuomintang) Party’s return to power, after an eight-year absence, under President Ma Jing-jeou. Ma had campaigned on a pragmatic platform of rebuilding diplomatic and economic ties with China following a period of frosty cross-Strait relations under his predecessor, Chen Shui-bian of the Democratic Progressive Party (DPP). One of the side effects of the improved relations between Beijing and Taipei was a de facto diplomatic ‘truce’ (xizhan 休战) struck as a precursor to the sides signing the 2010 Economic Cooperation Framework Agreement (ECFA) which improved cross-Strait trading links. This truce signified that neither side would seek to entice one of the other’s diplomatic partners to ‘cross the floor’ (hengdu diban 横渡地板) and switch diplomatic recognition. This informal agreement held, and with Ma’s re-election as president in January 2012 the diplomatic ceasefire stayed in place until the return of the DPP to power under President Tsai in early 2016.

The division among the Pacific Islands between those which recognise either Beijing and Taipei is not as clearly defined as at first glance, as there remain cases where Taiwan has maintained an informal economic presence even in those South Pacific states which recognised Beijing. Taipei maintains trade offices in Australia, Fiji, Guam, New Zealand and Papua New Guinea, as well as in Honolulu, and has participated in numerous South Pacific assistance projects, including a technical mission to improve agricultural development on Fiji’s largest island of Viti Levu. As well, during 2012 Taiwan quietly opened bilateral free trade negotiations with both New Zealand and Singapore in order to take advance of the more cordial diplomatic atmosphere in the region. In short, the open and at times hostile competition for allies between Beijing and Taipei has quieted as long as the post-2008 thaw in cross-Strait relations is maintained.

Although concerns about competition with Taiwan have faded somewhat, China has not taken advantage of the lull to turn its attention away from the Pacific region. Instead, China’s presence, diplomatically, economically and strategically, has accelerated since the truce went into effect. The Chinese government has become a widely-recognised benefactor throughout much of the South Pacific and has provided loans, aid, and assistance with infrastructure projects with all regional governments which recognise Beijing. Like in other parts of the developing world, these economic assistance packages are often granted without any conditions and irrespective of types of government.

The current era of trade and cooperation, and the opening signal that China was deepening its Pacific engagement, can be said to have started with Chinese Premier Wen

---


Jiabao’s participation in the April 2006 Pacific Islands Forum (PIF) summit in Nadi, Fiji. Wen announced that Beijing would strengthen economic cooperation in the region, apply zero tariffs to goods from least-developed economies which recognised Beijing, provide medical and other training and promote Chinese tourism as well as offering three billion yuan (US$375 million) in loans for Forum members. Since that time, China has offered numerous loans and grants to its Pacific partners for infrastructure projects, reconstruction and development. Although China has not yet become the single largest donor in the South Pacific, a position still firmly held by Australia, Beijing is now widely viewed in the Pacific region as the alternative donor, one which is called upon especially for infrastructure and construction projects and for economic assistance, loans or grants, not directly connected to governance.

Although, economic partnerships and joint development projects, as opposed to strategic agreements, have dominated Chinese diplomacy in the Pacific region, there has been a great deal of Western concern about Beijing’s expanded presence in the region. Much of the West’s anxiety about China’s Pacific strategies are directly attributed not to Beijing’s actions in the deep ocean but rather closer to Chinese territory, in the western Pacific. The rise of actual and perceived Chinese power in recent years, compounded by the post-2008 global recession and resulting decrease in American diplomatic and strategic influence internationally, has highlighted the question of Chinese ‘power counterbalancing’ behaviour in the Pacific region.

The Question of Soft Balancing in the Pacific

Since the end of the cold war, the study of soft balance of power behaviour in international relations assumed a greater importance for two reasons. First, the fall of the Soviet Union also brought to an end the widespread use of hard power balancing policies as the United States assumed the role of sole superpower in the 1990s. Although American relative power has begun to subside since the turn of the century, the bipolar system which dominated the cold war is unlikely to be duplicated in the same forms. Second, as a result of growing policy differences between the United States and other great powers, there have been more frequent occasions of employing diplomacy, international institutions, and economics to check US power.

Traditional hard balance of power policies often took on one of two forms. First, two (or more) states develop equal levels of power, either on their own or often by collecting allies, so that neither side has a definitive strategic advantage over the other (‘direct opposition’). Second, two competing powers of relatively equal strength may both be prompted to preserve the independence of weak states to prevent them from falling into the other’s sphere of influence (‘competition’), a situation dependent on whether the competing states were imperialistic, (seeking empires), or status quo. It was also possible for a third party to act as a ‘balancer’, ensuring a power balance between other states or systems, such as China during the latter half of the cold war. Both balance of power types could be examined during the cold war period, especially in the developing world. In both forms, balance of power behaviour created a degree of equilibrium, which meant that no one side could use

---


violence or attempt to change the international status quo without unacceptable risk to its own safety.

As was seen during the cold war, power balancing was undertaken through the development of armaments and the creation of alliances, which meant that failure to maintain a power balance meant danger on a regional or even international level. With hard balancing, using formal alliances and often competing arms build-ups to create a balance of power is increasingly viewed as unacceptably risky strategic behaviour, especially amongst great powers. It is no accident that China frequently denigrates the alliance system as part of its ‘four no’s’ (四不) doctrine declared by Hu Jintao in 2004, meaning no alliances along with no hegemony, power politics or arms racing. With the coming to power of Xi Jinping, there has been a greater focus on institution-building which incorporate economic cooperation, such as the Asia Infrastructure Investment Bank (AIIB) which began formal operations in 2016, and the slightly older New Development Bank, or Bank of BRICS, which was formalised in mid-2015. While China has also been active in regional Asian Security regimes such as the Conference on Interaction and Confidence-Building Measures in Asia (CICA), there has been little support in Beijing for overt alliance creation.

Soft balancing represents more passive resistance to great power domination of a particular region or policy area. Beyond that definition, soft balancing has been interpreted in different ways, with Paul defining this action as developing ‘diplomatic coalitions or ententes with one another to balance a powerful state or a rising or potentially threatening power’. Kelley and Whitaker suggested a broader interpretation, involving weaker actors seeking to challenge stronger states via non-forceful means, perhaps engaging in ‘selective non-cooperation’ with great powers. These methods or arenas may include diplomacy, trade, and the use of international organisations to seek a balance of power which stops short of using military methods. Brooks and Wohlforth, in seeking to describe soft balancing, note that the idea may have roots in the cold-war era idea of ‘balance of threat’ policy, meaning that states tend to balance against not power in the abstract, as some states may be powerful but also benign or preferring a status quo, but rather specific threats based on aggregate power, geography and perceptions of hostile or revisionist intent. It is these interpretations of soft balancing which are increasingly evident in the Pacific region which can be directly attributed to the increase in Chinese diplomatic and economic power.

Hard balancing can readily be directly observed through military actions such as building up arms, gathering together allies and engaging in other strategic activities designed to counter a potential aggressor. Simply looking at the cold war era, that period is littered with highly visible examples of hard balance of power behaviour, including the Marshall Plan in Europe, the Berlin Blockade, various nuclear weapons treaties, the space race, and various proxy conflicts in Africa, Latin America, and Southeast Asia. Soft balancing is far more

---


subtle, lacking easy-to-see signposts, and there is still much debate within international relations studies as to how to identify it and which countries can engage in it. Lieber and Alexander, for example, argue that soft balancing is an illusory concept with little empirical weight and cannot be readily distinguished from normal ‘just another day at the office’ diplomacy when one has to deal with a great power. The difficulty therefore is to distinguish the deliberate targeting of a great power via specific balancing policies from unintentional singling out or as a side effect. Yet, the perceived erosion of relative American power since the turn of the century, as well as widening policy differences between Washington and key allies over security policies, was the catalyst for much of the current debate on soft balancing on both international and regional levels. Many soft-balancing incidents in the past decade involved diplomatic disputes over US policies abroad.

For example, as Pape argued, American foreign policy under the George W. Bush administration prompted soft balancing behaviour against Washington, including within the United Nations, not only from China and Russia but from ‘second-tier’ powers such as American allies France and Germany, over issues such as the conduct of the Iraq conflict, which several European states opted not to support out of concern for US motives, and other examples of perceived excessive American unilateralism in its security policies. In seeking better identify soft balancing behaviour, He and Feng suggested two variables which they argue make state opt for soft balancing a great power rather than hard balancing, namely a high degree of economic interdependence among the states involved, and a great degree of power discrepancy. The presence of both or either, it is suggested, dampens the possibility that hard balance of power policies will be attempted, as such actions would be excessively risky and costly. These variables very much factor into the question of soft balance in the Pacific.

There has been much scrutiny of China’s foreign and strategic policy in the Pacific region around East and Southeast Asia as the country’s naval and maritime capabilities expand after almost a decade of reform. Due to its increased foreign interests as well as security concerns, China has begun to formulate a comprehensive Pacific strategic policy. However, there is a marked difference, despite some policy linkages, between China’s Pacific strategy closer to its shores and further out into Melanesia and Polynesia. It is in the greater Pacific, (including the South Pacific), where Chinese soft balancing behaviour on Beijing’s part is more evident, in the form of China’s multifaceted, economics-first diplomacy which is beginning to affect policies of the traditional powers in the region, namely the United States, Australia and New Zealand. Although the idea of the Pacific Ocean as an ‘American Lake’ had started to come into question as the cold war faded, China’s entrance into the region has accelerated that process.

The swiftly expanding diplomatic and economic presence of China in the South Pacific has prompted a rethinking by Washington and its Pacific allies of their strategic priorities in the region, while all actors have sought to avoid more overt balance of power behaviour. As well, due to the geographic constraints of the South Pacific as well as the slow

---


19 Kai He and Huiyen Feng, 363-95.

development of formal regional organisations, the political atmosphere is more conducive to soft balancing behaviour. For a more comprehensive understanding of China’s greater Pacific Ocean interests, it is becoming increasingly important to first acknowledge the growing divergence between Beijing’s western and South Pacific strategic approaches, and second to explore how and why China has chosen to engage the greater Pacific using soft balancing approaches and why the United States and other countries in the Pacific are responding in kind.

Soft balancing competition has begun in the Pacific, which traditionally had been the area of influence of the United States and its two allies in that region, namely Australia and New Zealand. However, unlike in the western Pacific closer to Asia, military power has so far played a negligible role in changing the power structure of regional relations in the greater Pacific Ocean. Instead, it is dominated by soft balancing inter-state behaviour via diplomacy, economics and institutions. This has been and will be the case for several reasons. First, the geography of the greater Pacific region is too big and too sparsely distributed for military balancing to take place, and the costs of doing so anyway would be very high compared to other parts of the world.

Second, economic interdependence is a barrier to hard balancing (but not soft) on two levels. The majority of Pacific states are small and greatly dependent on outside support via trade, aid and assistance, and cannot afford to choose sides in a hypothetical competition between China and the West. Although there have been significant policy differences between some Pacific Island states and Western powers, the most visible being the post-2006 cooling of relations between Fiji and Australia/New Zealand, no small Pacific state can afford to eschew economic cooperation with any great or medium power. As well, there is also a high degree of interdependence among the great and medium powers themselves. In addition to the strong (if not always cordial) economic relations between the United States and China which have grown to the point of near-symbiosis, Beijing also maintains considerable trade links with Australia and New Zealand which no party wants to see minimised. Hard balancing is a ‘costly signal’, meaning a policy which reveals a considerable, and perhaps excessive, amount of information about a given state’s strategic intentions. James D. Fearon, ‘Bargaining, Enforcement and International Cooperation,’ International Organisation 52(2) (Spring 1998): 283.

Third, the greater Pacific region contains massive power disparities which would also adversely affect any attempts at hard power balancing. Most Pacific island countries are developing states with limited economies and resources, and some including Kiribati, the Solomons and Vanuatu are on the United Nations list of ‘Least Developed States’ (LDCs) with more listed as ‘Small Island Developing States’ (SIDS) including Fiji, New Caledonia, Papua New Guinea, Samoa and Tonga. Attempting to choose sides in hypothetical hard balancing competition would produce few gains either for the small states or for the coalition as a whole. The same holds true for China itself. Although China’s political and military power are growing, its power projection capabilities including naval power are still well-behind that of the United States, and such shortcomings would be magnified in such a huge arena such as the Pacific Ocean. As well, China’s political experience with the greater Pacific remains very new compared to longstanding powers including the US, Australia and Europe. Here again, hard balancing behaviour on Beijing’s part would produce limited gains at high costs, and therefore soft balancing is a more viable option.


Fourth, unlike in other parts of the developing world, there are few economic incentives for hard balancing behaviour. Unlike for example Africa and the Middle East, the number of resources in the greater Pacific are greatly limited and expensive to obtain for China or any other great power. This situation may change if undersea mining in the region becomes more commonplace and economically viable, but until then the possibility of a resource competition triggering military competition in the Pacific Ocean remains remote. Finally, in hard balancing behaviour there is often the development and use of security institutions to provide platforms for such policies to be accentuated, the classic example being of course the creation of the North Atlantic Treaty Organisation (NATO) and the Warsaw Pact at the start of the cold war. In the case of the Pacific, there is little impetus for such organisations to be created. The dominating organisation in the region, the Pacific Islands Forum (PIF), created in 1971 as the South Pacific Forum before its name change in 1999, remains underdeveloped and beset by political divisions, including concerns at Australian and New Zealand policies and the security situation in Fiji since the 2006 coup. Dissatisfaction with the PIF led to the creation of subregional groups, including the Melanesian Spearhead Group (MSG) in 2007 and the Polynesian Leaders’ Group (PLG) in 2011. None of these, however, have the size or the means to develop into ‘blocs’. While there are organisations in the greater Asia-Pacific which examine economic and strategic cooperation, such as the Asia-Pacific Economic Cooperation (APEC) forum and the East Asian Summit (EAS), these groups are ‘doughnuts’, comprising Asia-Pacific and Americas governments but often excluding small Pacific states.

There have been some examples of military power affecting politics further into the Pacific, including the question of an American military build-up in Guam, made possible by further US troop reductions in both Japan and South Korea coupled with the desire by Washington to maintain forces closer to Asia than the US Pacific Command (PACOM) base in Honolulu, charged with the task of overseeing American strategic interests throughout the entire Pacific and Indian Ocean regions. However, the future role of Guam and the greater North Pacific in America’s emerging rebalancing policies is still unclear, and will partially depend upon the long-term US military presence in Japan and the role of Australia in the near future. Guam is also part of the perceived ‘second island chain’ in China’s developing maritime security thinking, along with Japan’s Kurile Islands, the Marianas, and the Caroline Islands of Micronesia, and Papua New Guinea further south. The waters between this chain and the ‘first island chain’, (Japan, Taiwan and the Philippines), were referred to as the ‘middle seas’, while the Pacific Ocean to the west of the second island chain were the ‘far seas’.

The consideration of island chains and the waters surrounding them was first articulated in a 1988 publication by retiring People’s Liberation Army (Navy) Admiral Liu Huaqing on how the PLA(N) should ideally prepare itself for future maritime security conditions. China’s naval modernisation under Hu Jintao and Xi Jinping has called for an expansion of ‘far seas operations’ (yuanhai zuozhan 渊海作战) as an essential means to better project Chinese military capabilities further away from its coastline. However, while these doctrines are beginning to be noted in the western Pacific, especially among China’s maritime

---


neighbours with the recent reclamation of disputed islets in the South China Sea and the diplomatic standoff between China and the Philippines over the legal status of the SCS, they have yet to create a significant impact in the South Pacific.

Compared to the western Pacific, the strategic importance of the greater Pacific region from a hard (military) power viewpoint remains very low both for China and the United States. The sheer size of the region coupled with the isolation of many Pacific islands from key trade routes reduces the possibility of a naval confrontation between China and western powers in that region. As well, the United States, despite concerns about potential military cutbacks, maintains a strong presence in Guam, which has the status of ‘unincorporated territory’ partially subject to US law, and surrounding regions including the Marianas, and the ‘Free Associated States’ of the Marshall Islands, the Federated States of Micronesia and Palau, while China maintains no bases in the Pacific and, despite the introduction of the aircraft carrier, has a navy which remains ill-prepared for long-term operations in such an expansive part of the world.

Until now, there have been very few military disputes in the South Pacific and those which have taken place remained geographically isolated and relatively insignificant for great power intervention. These include the posturing between naval vessels from Fiji and Tonga in mid-2011 over the disputed, uninhabited Minerva Reef which both parties claim as part of their exclusive economic zones, with relations between the two states cooling further after a Fijian colonel defected to Tonga in May of that year and then visited Australia and New Zealand shortly afterwards despite strong criticism from the Fijian military government. In addition, Australia and New Zealand, along with other South Pacific nations contributed forces and aid to the Regional Assistance Mission to the Solomon Islands (RAMSI) since 2003 to assist in the rebuilding of the nation since civil conflict erupted in 1999-2000 followed by anti-government violence in 2006. The RAMSI initiative began winding down in 2011 while maintaining aid and development programmes. Maritime boundaries between several South Pacific nations have not been completely defined, but there is little chance that these ambiguities would lead to direct conflict on a regional or even local scale. There have been other military initiatives in the South Pacific undertaken by China and the United States, but they have been in the form of goodwill tours designed to promote regional cooperation. In August-September 2010 two PLA Navy ships made well-received visits to ports in the South Pacific as part of a goodwill tour, with future such visits increasingly likely.

However, despite the lack of military power competition in the South Pacific, competition in the areas of diplomatic influence and economic power is becoming much more visible and has resulted in a rise of soft balancing behaviour among external powers. The participation of China as a diplomatic partner and alternative economic aid and assistance provider to many South Pacific governments has prompted much rethinking in the United States, Australia and New Zealand as well as in other parts of the Asia-Pacific about the degree to which power has shifted in the region.


This leads to many vital questions. First, beyond geography, what makes the South Pacific, and the Pacific Ocean as a whole, distinct as a strategic region? Second, what are China’s longer-term goals as it develops the growing capability to increase its presence in the Pacific? Will these goals evolve into policy conflicts with the West or Taiwan? Third, what does Chinese foreign policy in the Pacific region add to the greater debate about that country’s rise? Fourth, what will be the effects on the politics, economics and foreign policies of the Pacific states themselves? Finally, what can the Pacific region demonstrate about soft balancing behaviour in foreign policy?