China's South Pacific Expansion and the Changing Regional Order: A cause for concern to the regional *status quo*?

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In November 2002, he was promoted to Squadron Leader and posted again to 40 Squadron where he held Training Officer and Flight Commander roles on the C-130H. In December 2006, he was promoted to Wing Commander and posted as Commanding Officer Flying Training Wing at RNZAF Base Ohakea. In June 2008, he was posted to No. 40 Squadron as Commanding Officer. In October 2009, he was posted to HQNZDF as the Deputy Director Strategic Commitments. In December 2010, he was promoted to Group Captain and appointed Officer Commanding 488 Wing and Senior Commander at RNZAF Base Ohakea.

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Abstract

This paper examines China's expansion in the South Pacific to determine whether it constitutes a destabilising effect to the existing regional order over the next 10 years, both in terms of rivalling the traditional dominance of New Zealand and Australia, and in the context that Pacific Island nations are growing in political confidence and sophistication, and pursuing a strategy of greater regional accountability.

The paper cautions that China's expansion should not be overstated. Nor should the longstanding and continuing support being provided to the region by Australia and New Zealand be understated. The paper contends that China's actions should be seen primarily in the context of seeking to expand markets and securing access to vital resources, which are necessary to support its economic growth and develop diplomatic legitimacy as a global power. The paper concludes that China's expansion does not constitute a threat to regional security and, indeed, that New Zealand and Australia are ideally placed to support the increasing regionalism being demonstrated by Pacific Island nations.

China's South Pacific Expansion and the Changing Regional Order: A cause for concern to the regional *status quo*? [1]

Introduction

The 'rise of China' has been the subject of extensive discourse by academic and political commentators alike. [2] At the turn of the century, a well-respected international relations analyst contended that China's global power and influence were greatly overrated, asserting that 'at best China is a second-rank middle power that has mastered the art of diplomatic theatre … [and] only when we fully understand how little China matters will we be able to craft a sensible policy towards it'.[3]

Regardless of the logic at the time, such an assessment would draw little credence today. Based on current projections, China's GDP is predicted to surpass that of the US within the next 10 years. [4] When considered using purchasing power parity, China has already assumed the number one mantle.[5] Along with this enhanced economic leverage come greater international status, confidence and global influence.

China's expansion into the South Pacific should therefore not come as a surprise. In 2007, Ron Crocombe, a noted South Pacific commentator, declared that a 'spectacular transition' was under way in the Pacific Islands, from overwhelmingly Western sources of external influence—whether cultural, economic, political or other—to Asian.[6] He identified this transition as potentially beneficial to Pacific Islanders, caveated by the need to stay 'flexible and attuned to new circumstances, new players and new opportunities'.[7]

Despite this growing Asian influence being seen in ostensibly positive light, many other commentators—mainly from Western liberal democracies—have preferred to consider China's rise as a threat to the existing regional order.[8] This 'threat theory' has included perspectives on the evolving security and stability implications of China's growing regional interest, particularly on the developing nations of the South Pacific, as well as New Zealand and Australia.

While China's expansion tends to capture global attention, an increasing assertion of specifically Pacific forms of regionalism, as evidenced by more active regional organisations and push-back against Australia and New Zealand as traditional donors, cannot be ignored. Fiji and Papua New Guinea (PNG), as the two most influential Pacific Island states, have asserted new independence in regards to their foreign policy and desire to establish and enhance regional institutions founded on issues of primary concern, especially climate change and economic independence.

However, New Zealand and Australia view the South Pacific as 'their backyard'.[9] New Zealand's Ministry of Foreign Affairs and Trade considers the Pacific region to be of 'central importance', stating that New Zealand has 'strong bonds of shared interests: history, culture, trade, family and future' across the region.[10] New Zealand regards itself as a Pacific Island state and not an outside power of the region.[11]

Australia's Department of Foreign Affairs and Trade articulates a similar point of view, noting that '[Australia] is committed to playing an active and constructive role in the region of which it is a part'.[12] While geographical proximity reflects a strong sense of regional responsibility for New Zealand and Australia, the US continues to be an important partner. Nonetheless, there is an implicit and, at times, explicit expectation within the Western alliance that Australia and New Zealand will manage regional security concerns.[13]

Beyond the historical and cultural connections, New Zealand and Australian prosperity is tied to a secure and stable region. This concept features prominently in the formulation of their respective foreign policies. The latest Australian Defence White Paper identifies a secure South Pacific and Timor Leste as the second-highest defence priority (behind a secure Australia), with an associated need to ensure 'that our neighbourhood does not become a source of threat … and that no major power with hostile intentions establishes bases from which it could project force'.[14]

Similarly, the 2010 New Zealand Defence White Paper identified the requirement for New Zealand:

> [T]o play a leadership role in the South Pacific for the foreseeable future, acting in concert with our South Pacific neighbours. A weak or unstable South Pacific region poses demographic, economic, criminal, and reputational risks for New Zealand.[15]

New Zealand and Australia will be significantly affected as a result of China's expansion into the South Pacific. Some commentators have suggested that China's growing influence in the region might now be rivalling the traditional dominance of New Zealand and Australia. John Henderson and Benjamin Reilly, for example, contend that China is in the process of 'incorporating the Pacific Islands into its broader quest to become a major Asia-Pacific power' in a regional zero-sum analysis of the US, Japan and existing Western allies.[16] Conversely, New Zealand's Foreign Affairs Minister, Murray McCully, has described China's regional activity differently, saying 'I do not regard greater Chinese activity in the Pacific as a great mystery … nor do I attribute unwholesome motives to that activity'.[17]

So what is China doing in the South Pacific and will it compromise regional security and stability? The variation in analytical assessments of China's intentions makes this question all the more important. This paper will examine China's South Pacific expansion alongside increasing Pacific Island regionalism and determine whether it constitutes a destabilising effect to the existing regional order over the next 10 years. For the purposes of this paper, the South Pacific will be defined as the 14 Pacific Island countries that make up the Pacific Islands Forum (PIF), excluding New Zealand and Australia, namely the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, PNG, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The paper is broken into five parts. Part 1 will provide historical and demographic context by defining the South Pacific region, its political structure and existing regional order. 'Comprehensive security' will then be defined in order to evaluate the impact of China's expansion. Part 2 will form the bulk of the analysis of China's expansion into the South Pacific and its resultant impact on the existing regional order. The 'Diplomatic, Identity, Military and Economic' framework will be used in order to support the security assessment in a comprehensive fashion. Part 3 then assesses the interests and actions of the Pacific Island countries in order to maximise global political and economic advantage. Part 4 progresses this by analysing the potential for a new regional order based on China's expansion, an increasing South Pacific leadership confidence, and institutional sophistication. Part 5 considers the range of existing and emerging threats to security and stability facing the South Pacific as a whole.

The paper will assert that China's expansion into the South Pacific, and the increasing regionalism demonstrated by Pacific Island nations, do not constitute threats to security and stability in the next decade. Rather, it will contend that China is seeking to expand markets and secure access to vital resources—necessary actions in order to support economic growth and develop diplomatic legitimacy as a global power. Nevertheless, it will also be observed that Pacific Island nations are growing in political confidence and sophistication, pursuing a strategy of greater overall regional accountability. While the South Pacific is not without issues of fragility, the paper concludes that China's expansion and a strengthening region do not present a cause for concern.

Part 1: Historical Context

Any regional strategic analysis benefits from an appreciation of the overarching historical, geographical and demographic elements.

The South Pacific is customarily divided into three distinct, if not loosely-defined cultural areas— Melanesia to the southwest, Micronesia to the northwest, and Polynesia to the east, as shown at Figure 1. Genetic evidence suggests most indigenous people in the region originated from Asia during an early global migration that commenced approximately 50,000 years ago, progressing as far east as the Solomon Islands.[18] Then 4500-5000 years ago, a second wave of migration occurred, originating from Taiwan and progressing further east into the Pacific.[19] The occupation of Polynesia and then New Zealand, only 800 years ago, concluded the historical wave of migration.
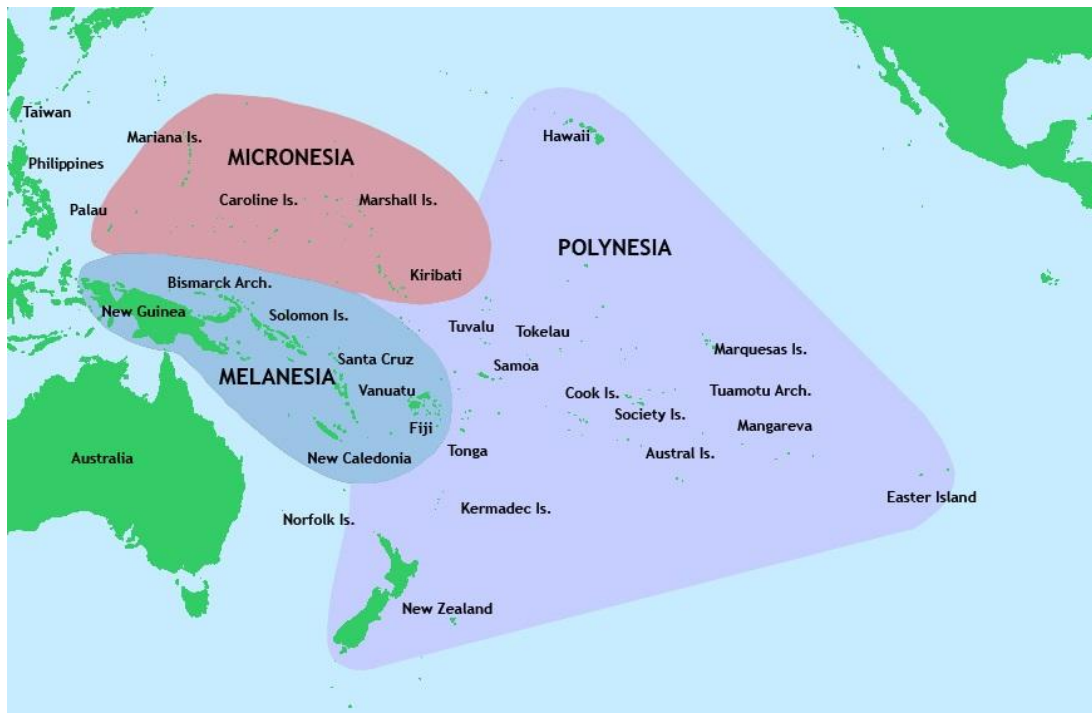
Figure 1: The South Pacific region

The vast space and small but widely-dispersed populations have resulted in a multitude of culture, language and social systems which, in turn, have created diversity in security and stability. In Melanesia, self-government rested with small tribes, mostly without hereditary chiefs, and linguistic fragmentation remains a particular regional characteristic.[20] Societal leadership was often acquired, rather than inherited, from 'fighting, oratory or entrepreneurial skill'.[21] In the aristocratic and hereditary-based societies of Polynesia and most of Micronesia, larger tribes of up to several thousand were the norm. In these societies, resource distribution typically accompanied marriages, funerals and accession to chiefly titles.[22]

With fewer people from one main source of origin, Polynesia evolved only about 30 languages, with Micronesia much fewer still.[23] The differences in social structure and culture are important when considering the characteristics of modern-day security and stability. The hierarchical and hereditary-based countries of Polynesia have tended to adapt the ideals and expectations of Western political stability, with far greater success than the less hierarchical, participatory societies of Melanesia.

European exploration in the 16th and 17th centuries disrupted the traditional South Pacific way of life. Prompted by trade, travel and control, the South Pacific was colonised by competing Western powers. The early influence of missionaries played an important role in establishing Christianity throughout the Pacific, often at the vanguard of the exploration parties. By 1890, 'the final carve up' was complete.[24]

A new world order, following the end of the Second World War, precipitated widespread de-colonisation, ultimately concluded in 1980.[25] The Cold War triggered an increased regional focus on security, soon after the independence process, amid US concerns over the global spread of communism. This led to the subsequent forward deployment of US military forces throughout the region but particularly in Micronesia. The terror attacks of September 2001 elevated regional concerns about instability in the South Pacific, with growing anxiety over weak or failed states and the threat they posed to security and stability.[26]

The 22 political entities that make up the South Pacific region are diverse. Variations in geography, land area, population size, cultural traditions, economic development, natural resources and political status define a region characterised by diversity. The larger and more populated islands of Melanesia have

significant mineral resources and share valuable fishing rights with Micronesia to the north and east. The islands of Micronesia and Polynesia are notable as some of the smallest and least populated on earth. Approximately 10 million people inhabit a region that spans 30 million square kilometres, from West Papua through to Easter Island.

Table 1 lists the political affiliation of the South Pacific regional entities and demonstrates the diverse political structure. Territorial alignment with France, New Zealand, UK or the US provides a guarantee of security, a level of political stability and economic support through the provision of subsidies and aid.[27] Free association similarly provides a degree of autonomy with specific migration benefits for five of the remaining 14 states.

Table 1: South Pacific regional entities and political alignment[28]

Pacific Island Entity	Political Alignment
American Samoa	US territory
Cook Islands	Free association with New Zealand
Federated States of Micronesia	Free association with the US
Fiji	Independent
French Polynesia	Overseas territory of France
Guam	US territory
Kiribati	Independent
Marshall Islands	Free association with the US
Nauru	Independent
New Caledonia	Overseas territory of France
Niue	Free association with New Zealand
Northern Mariana Islands	Commonwealth of the US
Palau	Free association with the US
Papua New Guinea	Independent
Pitcairn Islands	Dependency of the UK
Samoa	Independent
Solomon Islands	Independent
Tokelau	Territory of New Zealand
Tonga	Independent
Tuvalu	Independent
Vanuatu	Independent
Wallis and Futuna	Overseas territory of France

Table 2 lists the nine independent states and their approximate populations—which make up almost 90 per cent of the total regional population. Samoa, Tuvalu and Kiribati have a history of stable democracy. However, the remaining nations have 'confronted problems of corruption, weak central authority, lack of accountability and social unrest…. [and] Fiji and the Solomon Islands have experienced coups'.[29] These

traits signal a susceptibility to the negative influences of a highly-asymmetric power relationship, such as China-Pacific Island countries, and are especially worthy of analysis.

Table 2: Population and land area of the nine independent states[30]

State	Population	Land Area (km²)
Fiji	837,000	18,272
Kiribati	98,000	811
Nauru	12,000	21
Papua New Guinea	7,500,000	462,243
Samoa	185,000	2934
Solomon Islands	550,000	28,530
Tonga	102,000	699
Tuvalu	10,500	26
Vanuatu	221,000	12,190

Traditional regional order

The Council for Security Cooperation in the Asia-Pacific defines regional order as 'a complex tapestry of norms, laws, conventions, deterrents, opportunities, mechanisms for conflict avoidance and resolution'.[31] Based primarily on geography and history, New Zealand and Australia have been responsible for the development and maintenance of that tapestry over the years, placing 'a special value on close historical, political, economic, aid and community links with the island countries and territories of the Pacific'.[32] Indeed, the depth of Australia's sense of regional responsibility is even expressed in its Constitution.[33]

Nonetheless, Western ideological intent is not always met favourably. Many Pacific Island leaders have 'reportedly viewed Australia's past and present leadership in the region with resentment and deep ambivalence'.[34] Not surprisingly, the reference to an 'arc of instability' or being listed within a 'fragile club' was met with profound bitterness by Pacific leaders.[35] More recently, New Zealand and Australia's diplomatic conflict with Fiji has provided a vehicle for Fiji to develop new relationships—most notably with China—which some have argued serves to undermine New Zealand and Australian influence, and damage progress on regional initiatives vital for the enhancement of longer-term prosperity.[36]

Comprehensive security

In order to evaluate China's impact on security in the South Pacific, it is necessary to first define security. This paper will use the concept of 'comprehensive security' as defined by the Council for Security Cooperation in the Asia-Pacific. Comprehensive security goes beyond the narrow, 'hard power' focus in the pursuit of sustainable security in all fields, encompassing personal, political, economic, social, cultural, military and environmental security in both the domestic and external spheres, essentially through cooperative means. As articulated by the Council, comprehensive security is founded on the principle that:

> [S]ecurity of person, community and state is multifaceted and multidimensional in character. Ultimately, security encompasses the protection of all the fundamental needs, core values and vital interests of the individual and society in every field. Any significant threat to the comprehensive well-being of man, society and state, whether emanating from external sources or from within a state, is deemed a threat to security.[37]

A comprehensive approach to security is vital for the attainment of prosperity and stability. This notion is clearly expressed in recent New Zealand and Australian national security strategy statements. In its 2013 strategy document, Australia identifies the need to address security in a comprehensive fashion, in partnership with Pacific Island countries to prevent the undermining of regional stability.[38] New Zealand's 2011 policy document identifies seven key objectives that underpin a comprehensive concept of national security, namely preserving sovereign and territorial integrity, protecting lines of communication, strengthening international order, sustaining economic prosperity, maintaining democratic institutions and values, ensuring public safety, and protecting the environment.[39]

China's President Xi Jinping has similarly identified the importance of a comprehensive approach to security for China—admittedly with 'Chinese characteristics' that assume a level of security beyond the Western definition. In a recent speech at the inaugural meeting of China's National Security Council, he expressed the need to develop a 'national security network' that incorporates political security, homeland security, ecological security, economic security, cultural security, societal security, scientific and technological security, information security, ecological security, resource security, and nuclear security.[40]

In the next part of this paper, the 'Diplomatic, Identity, Military and Economic' framework model will be used to support a detailed examination of the comprehensive elements of security in the context of China's expansion into the South Pacific.

Part 2: China's Diplomatic Interests in the South Pacific

Any diplomatic assessment of China's presence in the South Pacific must consider the relationship between China and Taiwan. Since the European powers scaled back their activities in the South Pacific in the middle of the last century, China has worked steadily, in its own right, to gain a regional diplomatic foothold.[41] It is estimated that China now has more diplomats in the South Pacific than any other country, including New Zealand and Australia.[42]

Simultaneously, the South Pacific has become a vital region for Taiwan to establish diplomatic recognition. Of the 23 countries that formally recognise Taiwan, six reside in the South Pacific.[43] According to Anthony van Fossen, recognition by geographically-closer nation states increases the authenticity, sustainment and leverage within regional institutions, rather than by geographically-remote countries, such as those in Central America, Africa and the Caribbean, thereby enhancing the attractiveness of the South Pacific to China.[44] While rivalry between China and Taiwan has been an ongoing feature of regional diplomacy, founded on China's primary objective of reinforcing the 'One China' policy, there are two distinct periods with differing regional effects.

Competition between China and Taiwan in the period prior to 2008 created a destabilising effect to South Pacific security and stability. A financial incentive in favour for diplomatic recognition, also known as 'chequebook' diplomacy, has been a notable feature of China and Taiwan rivalry. There is broad agreement in academic discourse that the short-term economic benefits associated with 'chequebook' diplomacy are heavily outweighed by the undermining, longer-term consequences on escalating corruption, which in turn reduces social stability and the development or consolidation of regional democracy.[45]

Notably throughout much of Melanesia, the diplomatic competition to seek or retain recognition has resulted in a 'greedy grab for cash that has descended from rent-seeking to banditry'.[46] It was also behind the perception that Chinese bribes were used to buy electoral votes, which sparked the April 2006 riots in the Solomon Islands. However, the reality is far worse than these examples perhaps suggest, according to Ron Crocombe, who contends that 'China has a long, sad record of causing internal problems in Pacific countries' as a result of the diplomatic conflict with Taiwan.[47]

More recent cross-strait engagement has resulted in a tempering of China-Taiwan regional competition. When Ma Ying-Jeou was elected President of the Taiwan in 2008, he prioritised reconciliatory policies with China. While strong opposition and mistrust still exists between China and Taiwan, the increasing level of contact has led to a reduction in explicit regional competition and 'chequebook' approaches to diplomacy.[48] Further, given China's 'near bottomless pockets' and Taiwan's increasing desire to trade on its greater currency—'free democratic political system and lifestyle'—the diplomatic truce between China and Taiwan appears to be an enduring one.[49] From this, it is possible to interpret that competition

between China and Taiwan no longer represents a significant destabilising effect to the fabric that makes up the South Pacific's institutional tapestry.

In addition, it is important not to overstate the China-Taiwan rivalry and, in doing so, divert attention away from failings in New Zealand and Australian regional support. As Joel Atkinson asserts:

> [I]t is debatable to what extent China and Taiwan weaken [New Zealand and] Australian reform agenda simply through providing South Pacific governments with funds to misuse. Presumably, if [New Zealand and] Australia's efforts were effective, the administration of aid from China and Taiwan would improve accordingly.[50]

China's foreign aid to the South Pacific is a key diplomatic component to its South Pacific expansion. China is not a new regional aid donor, with a history of aid in the South Pacific spanning 60 years. Significant increases in aid occurred from the 1990s in line with China's 'going global' policy.[51] From 2004 onwards, China's aid has continued to grow, increasing by an enormous 29.4 per cent per year and now totalling approximately US$4.5 billion.[52]

However, ambiguity and a lack of transparency have hampered an objective determination of its aid policies, practices and principles. China is not a member of the OECD's Development Assistance Committee and is not bound by the associated principles of that organisation.[53] The language used in China's first White Paper on Foreign Aid—'Chinese aid is a model with its own characteristics'—served to reinforce an ambiguous perception of its behaviour.[54] Until very recently, China preferred the terms 'economic cooperation' and 'development assistance' when referring to engagement with developing nations, further blurring the boundaries of what constitutes aid and what constitutes loans, concessions or other forms of debt relief.[55]

It is worth noting that China's second Foreign Policy White Paper, released in 2014, signalled an enhanced intent regarding conducting trilateral aid cooperation with traditional donors (primarily New Zealand and Australia).[56] A China-Australia-PNG trilateral engagement in regards to malarial control is one recent example.[57] Malaria is a serious public health concern in PNG, so harnessing Chinese medical expertise and Australian financial support to meet a specified government health priority is an excellent example of trilateral cooperation.[58]

The role PNG played in guiding the donor activity, rather than receiving 'imposed aid', has also been a fundamental and important shift for future trilateral activity. The Te Mato Project, a China-New Zealand-Cook Islands trilateral initiative aimed at providing reticulated water across the main island of Rarotonga is further evidence of aid cooperation between traditional and emerging donors.[59] China's Foreign Policy White Paper goes on to confirm the Cook Islands' status as the pre-eminent developing nation, as well as highlighting the 'South-South cooperation' plan, focusing aid on other developing nations of the South Pacific.[60] The PNG experience, in particular, stands as a workable case study for other traditional and non-traditional aid donors and recipients alike to emulate in the future.

Notwithstanding the acknowledged increase in dollar amounts and language described above, China has struggled to exert its foreign policy narrative in a clear and unambiguous manner. Partly, this is China's own doing through the limited public release of policy; partly also, it conveniently feeds into the 'China threat' theory perpetuated by some Western commentators, especially in the US, Australia and New Zealand.[61]

This criticism implies that China's foreign policy ambiguity and lack of transparency forms part of a methodical 'grand strategy' designed to displace New Zealand and Australia as the traditional regional powers—an extremely de-stabilising notion if the case.[62] While there seems little doubt that China has a grand strategy, the role of the South Pacific would appear at best to fit into the 'Greater Periphery' sphere or, more likely as Terence Wesley-Smith argues, to be based on the 'pursuit of resource supplies as a basic driver for the expansion of China's presence in all regions', not just the South Pacific.[63]

China's relationship with Fiji has created diplomatic concerns, not only for New Zealand and Australia but also to the continuity of the existing regional order. New Zealand and Australia were unequivocal in their condemnation of Fiji's military action to unseat the democratically-elected government in 2006. Conversely China's support to Fiji, which was based on a 'policy of non-interference,'[64] provided Fiji a

vital diplomatic alternative, precipitating Fiji's 'Look North' foreign policy and newfound sense of diplomatic independence.[65]

Nonetheless, Fiji's return to democratic rule at its own pace and on its own terms has enabled the removal of all sanctions along with the re-instatement of the respective New Zealand and Australian consular staff, following their directed removal in 2009. While mutual displeasure has at times been communicated between Fiji, New Zealand and Australia, China has not been drawn to comment publicly on their respective roles played in the engagement with Fiji. As a result China, New Zealand and Australia continue to cultivate their own unimpeded bilateral diplomatic and economic relationships.

In 2012, New Zealand and China agreed ambitious plans for enhanced bilateral engagement, with New Zealand's Prime Minister John Key and Chinese Premier Wen Jiabao targeting a doubling of bilateral trade over the next two years.[66] In a similar vein, Australia and China have agreed-in-principle to a Free Trade Agreement, following lengthy negotiations, which will further enhance economic and diplomatic interdependence.[67] Interestingly, there is not yet an equivalent New Zealand or Australian whole-of-government strategic plan for engagement with South Pacific nations, the generation of which may be an avenue to improve existing relations between New Zealand, Australia and Pacific Island countries.

China's identity in the South Pacific

China's presence in the South Pacific is not a new phenomenon. Chinese trade, language and culture first spread to the South Pacific over 5000 years ago.[68] Observers have since identified three 'distinctive periods' in contemporary Chinese emigration history to the South Pacific. The first period spans the early 19th century through to 1949, when Chinese were seeking refuge from 'frequent famines and war'.[69] The second was from the 1950s through to the 1990s, when Chinese labourers, traders and farmers sought work in the South Pacific; the third has been since the 1990s, following a relaxation to immigration policies and the rise of technological societies.[70]

While there is no official figure, various sources place the number of Chinese in the South Pacific between 80,000 and 100,000, or approximately ten per cent of the total regional population.[71] Perhaps with a degree of irony, New Zealand was an early advocate of China's expansion into the region. In 1980, in an attempt to thwart expansion by the Soviet Union into the South Pacific, New Zealand's then Prime Minister Robert Muldoon, during a visit to Beijing, told senior leader Deng Xiaoping that 'any support China could give to the island states of the Pacific Forum whether political or economic would help to maintain political stability in the South Pacific'.[72]

While China has been involved with the South Pacific for thousands of years, societal integration and acceptance has not been a strong suit. As Crocombe argued in his detailed analysis of China's growing South Pacific presence:

> Long after the tides of population, trade and investment turn in favour of Asia, Western influences are likely to remain in other aspects of life because of the English language, Christian religion and western derived education, entertainment and organisation. Pacific Island schools do not teach nearly enough about Asia. Asians learn even less about the Islands, and incentives for them to do so are few.[73]

One Chinese commentator noted that Chinese nationalism is a driving force behind a 'sojourner mentality or lack of a sense of permanence in their adopted countries'.[74] As China's international standing grows, this trait may develop even further among Chinese immigrants as they look to re-connect the bonds with the homeland, although as yet there is no clear evidence to support this hypothesis.

Importantly, the lack of education, knowledge and integration creates an image problem for China in the South Pacific. Ideological and cultural divergence between the South Pacific way of life and that of China is significant. Strong Christian traditions throughout the islands 'encouraged a firm level of anti-communism' during the Cold War, which then manifested into typically West-leaning support.[75] Cultural values, while not universally divergent, also present some important differences, principally in relation to fishing, logging, trading, crime and political influence. Crocombe notes that values given to 'saving against consumption, to accumulation against distribution, to the allocation of time, to production and education as against ceremony and relaxation' have resulted in major differences between Pacific Islanders and Chinese immigrants.[76]

The inadequate cultural appreciation provides an interesting snapshot into a number of the ongoing points of friction between Chinese immigrants and the indigenous population, particularly in the areas of labour relations, environmental issues and quality control. One good example is the Fiji hydro-electric scheme being undertaken by Sinohydro Corporation, a Chinese company with a poor record for the treatment of staff in other global projects. Sinohydro was a source of complaint following an allegation of low wages and inadequate safety practices from Fiji's Construction, Energy and Timber Workers Union.[77] Unsatisfactory treatment of local workers by Chinese companies reflects a difference in accepted conditions between China's own rural-to-urban migrant workforce, operating at home or abroad, and Pacific Islanders.[78]

However, other commentators provide a counter view, arguing that China's actions have been portrayed in a consistently negative light and therefore represent a potential security threat to the West. In a 20-year qualitative and quantitative analysis of 306 newspaper and journal articles, Jonathan Sullivan and Bettina Renz identify an overwhelming negative discourse, with China frequently described as 'a giant opportunistic predator aggressively scouring the Pacific'.[79] The undesirable characteristics associated with China's social consequences (income inequality, human rights issues, poor labour conditions and environmental degradation) are in stark contrast to the positively-espoused character of Australia and New Zealand, based on the values of democracy, accountability and good governance.[80] An absence of balanced and nuanced reporting on complex issues is more likely to de-stabilise a region already described as fragile.

Against such a backdrop, the targeted violence against Chinese immigrants is perhaps not surprising. Built-up resentment based on corruption and the perception, or reality, of Chinese taking local job opportunities has resulted in riots targeting Chinese businesses in the Solomon Islands, PNG and Tonga as well as the previously-mentioned politically-motivated outbreak of violence in the Solomon Islands. It has been reported that this might be 'the tip of the Pacific iceberg'.[81] However, this assessment is equally guilty of considering South Pacific Chinese migrants as a single homogenous block. They are not.

A more nuanced analysis would note that Chinese living abroad who are no longer Chinese citizens, translated as *huaren*, and are well entrenched into society, did not suffer the same ethnic discrimination or violence as the more recent Chinese citizens, known as *huaqiao,* who are perceived to flourish financially and politically from the proceeds of their business without contributing to society.[82] Graeme Smith goes further in his analysis of the anti-Asian riots in the South Pacific, placing the blame more squarely on the shoulders of the recent migrants known for their lack of *suzhi*, or quality, in both the measurable (education, income and province) and immeasurable (moral attributes) terms.[83]

China's military interests in the South Pacific

China is investing heavily to modernise its military capability. In March 2015, China announced that it would raise its defence budget by approximately 10 per cent. While down from the previous year's 12.2 percentage increase, the statement nonetheless marks the fifth consecutive year with a double digit increase in official military spending. This translates to approximately $US145 billion and aligns with China's 2015 Defence White Paper assertion that its defence spending should rise alongside its growing economic development and global standing.[84]

While the financial investment is significant, some would argue that it is less about the amount of money China spends on defence than what it buys with that money, with one senior US officer noting that 'the only capabilities that concern us are those that make China capable of changing the [regional] status quo without coordination'.[85] Such a remark serves to reinforce US concern over any change to the existing *status quo* without accommodating the interests of the traditional regional powers.

The 2014 appointment of Chairman Xi Jinping as Central Military Commission Chairman, as well as Party General Secretary and State President, signals the importance of military reform and combat effectiveness at the highest levels in China.[86] This was a departure from the precedent set during Hu Jintao's appointments ten years earlier, when the assumption of all three titles took more than a year to enact.

According to a 2015 US Department of Defense annual report to Congress on military and security developments involving China, Xi's father was an important military figure during the Chinese communist revolution and a Politburo member in the 1980s.[87] The younger Xi served as secretary to a defence

minister early in his career and would have had ample opportunities to interact with the People's Liberation Army (PLA) as a provincial party official. Xi has emphasized increasing mutual trust between China and the US during official meetings. Notwithstanding the fact that the Sino-US relationship is the subject of daily academic analysis, this is at least one positive example of US-Sino military engagement for the future.

While China's military expansion remains an area of interest, there is no doubt that Australia and New Zealand remain the primary sources of regional security and stability. The defence of the region during World War 2 forms a key part of the Pacific Island nations' shared history. More recently, Australia and New Zealand have continued to demonstrate regional security obligations through peacekeeping missions throughout much of Melanesia, with Anthony van Fossen noting that 'the Pacific Island states still expect Australia [or New Zealand] to protect their sovereignty in an emergency'.[88]

The Regional Assistance Mission to the Solomon Islands (RAMSI), involving New Zealand and Australian military personnel, as well as their respective police forces, has been the most recent and perhaps successful.[89] Not surprisingly, it is still New Zealand and Australian defence assets which are the first to arrive, whether bringing emergency relief supplies during the frequent environmental disasters, or conducting the evacuation of foreign nationals during violent confrontations. While China previously lacked the military capacity to conduct a foreign national evacuation mission, this is no longer the case.[90] Greater military interoperability between China, Australia and New Zealand seems a necessary future requirement to enhance security and stability, based on the likelihood of further regional unrest.

Commentators aligned to the 'China threat' theory suggest that China's motives are based on a South Pacific competitive strategic intent. John Henderson and Benjamin Reilly, for example, assert that 'China is not just filling a political vacuum created by Western neglect…. [i]t is incorporating the Pacific islands into its broader quest to become a major Asia-pacific power with a long-term goal to replace the US as the preeminent power in the Pacific Ocean'.[91]

While the US 'rebalance to the Asia-Pacific' strategy is clearly multifaceted, it is at least in part to counter China's expansion and growing regional influence.[92] Others interpreting China's expansion as a security threat have claimed that China could use Pacific Islands as bases to support anti-ship missile capabilities; some have also argued that various infrastructure improvements in the region, being assisted by China, are strategic preparations for the future.[93]

Contrarily, those inclined to assess China's expansion as part of a generic 'going global' strategy find little evidence to support the likelihood of an expanding military footprint in the South Pacific.[94] In essence, China's focus and strategic priorities remain far closer to home, particularly in the East and South China Sea in response to territorial disputes. Additionally, securing the vital sea lines of communication through the Straits of Malacca sits higher on the priority order than military engagement in the South Pacific.

Michael Powles, in a wide-ranging practitioner's assessment, asserts that 'China has two principal goals in the South Pacific: access to raw materials, and countering Taiwan's efforts to recruit Pacific countries into its ranks'.[95] The access to resources and assertion of diplomatic power indicate a need to exert a degree of influence over Pacific Island states. However, the application of military power would bring with it operational, logistical and economic challenges that would in all likelihood outweigh any associated benefit.

Regardless of rationale, there is widespread agreement that China does not yet have the capability or capacity to rival US military supremacy.[96] The PLA Navy has made advances in the maritime capability domain, including the commissioning of its first aircraft carrier *Liaoning* in 2012. A second aircraft carrier under production signals an aspiration to project on a global scale. However, the PLA Navy is not yet 'blue water' capable. Moreover, China has no military bases anywhere in the South Pacific. Operations as far afield as the South Pacific, while arguably on the rise, will likely be limited to exercises and military diplomacy for the foreseeable future.

China's desire to demonstrate maritime confidence and stability-building measures, in addition to regional military diplomacy, are important first steps to improve broader engagement. Of the UN Security Council's five permanent members, China is the largest financial contributor to UN peacekeeping operations. It is also an active member of, and has hosted strategic multilateral dialogues, contributed

ships towards anti-piracy operations (since 2008) and, for the first time, hosted a meeting of the Western Pacific Naval Symposium—a key meeting to enhance mutual understanding and trust in the maritime security domain.[97]

Of note, China was also a first-time participant in the 2014 Rim of the Pacific (RIMPAC) maritime exercise hosted by US Pacific Command in Hawaii, the world's largest maritime warfare exercise. China has conducted routine goodwill ship visits to the Pacific Islands, notably Fiji, PNG and Tonga, providing training and logistics-focused support.[98] Additionally, the PLA Navy hospital ship *Peace Ark* provided medical assistance to the region during a tour in September 2014.[99] Stopovers were also made in New Zealand and Australia, emphasising an awareness to develop relationships with traditional powers alongside island neighbours.

Contact at the Military Chief level is also both genuinely warm and commonplace. New Zealand's Chief of Defence, Lieutenant General Tim Keating, expressed the view that 'such visits are an important opportunity to extend engagement with the People's Liberation Army and increase understanding between respective countries' militaries as we look to increase joint activity and cooperation'.[100] Acknowledging the importance of people-to-people contact, Keating has identified building relationships as a key priority. He is seeking to expand operational and tactical-level cooperation to 'enhance trust and understanding among junior and mid-level officers' as a mechanism to build future engagement.[101]

China's economic interests in the South Pacific

The enhancement of national power is the capstone element of China's grand strategy.[102] Economic development is considered a primary pillar of that grand strategy given its role in achieving economic prosperity and resolving domestic and external threats.[103] Domestically, economic development provides the opportunity for the Chinese people to benefit from a raised standard of living. This, in turn, confirms the Central Communist Party's legitimacy. From an external standpoint, economic development facilitates military investment and modernisation, a key element of China's national power and, ultimately, its reaffirmation as a global power. As Joseph Nye notes, the economic rise of China is a misnomer; 'recovery' is more accurate.[104]

China's economic rise in the South Pacific creates contrasting effects. For nations like Australia and New Zealand, it challenges the *status quo* of regional influence and complicates the ability to achieve stated foreign policy objectives.[105] For Pacific Island developing nations, China provides valuable developmental opportunities, given the young and increasingly-urbanised workforce seeking employment. For this reason, it is even more critical. As a result, the consequences of China's economic diplomacy across the areas of trade, aid and investment are significant and have the potential to re-shape relationships in the Pacific Islands over the medium and longer term.

China's trade in the South Pacific region is expanding. In the last ten years, it increased by a factor of seven. It grew tenfold with PNG, the most populous and resource-laden country in the region, over the same period, now totaling US$1.265 billion.[106] China's interest is primarily resource driven. Growing trade and investment links between China and Pacific Island nations are increasingly common themes that underpin bilateral talks between senior leaders. Given that domestic and external strategic priorities are reliant on continued growth, it should come as no surprise that China's economic interests in the South Pacific match the pattern of contact with resource-rich nations such as Angola and the Democratic Republic of Congo, in addition to Latin America.[107]

The enormous natural mineral deposits, forestry, fishing and as-yet untapped seabed resources in the South Pacific are therefore logical targets of interest. Nonetheless, it is worth putting these figures into perspective. For example, China's trade with the African continent increased by a factor of fifteen from US$10.6 billion to US$160 billion between 2000 and 2011.[108] However, as Wesley-Smith has observed, trade with the South Pacific still only represents less than one-tenth of one per cent of the total value of China's global trade'.[109]

While China's trade has undoubtedly grown, traditional trade partners are still the dominant economic factor in the South Pacific. In a recently-commissioned survey of over 350 South Pacific industries, the vast majority of companies conducted export trade with Australia and New Zealand; 68 and 60 per cent

respectively, with China lagging behind in sixth place at 11 per cent.[110] Similarly, by value, Australia still sits well ahead of China with A\$3.2 billion worth of export trade to Pacific Island Countries in 2014.[111]

The opaque nature of what constitutes aid, and China's stated policy that it is given to fellow developing countries with 'no strings attached', is met with suspicion by many regional analysts.[112] The situation whereby China's aid is increasingly focused towards PNG, and primarily managed through the Ministry of Commerce, gives some clue as to the fundamental nature of aid aligned to its broader economic development and national strategic focus.

Nonetheless, China's leaders have taken every opportunity to assert the principle of 'win-win' when it comes to aid policy. That is, aid is 'exchanged' for 'something' that contributes to its national interests. This 'something' may change in different times and with different countries.[113] Graeme Smith offers a different view in respect to the driving force behind China's aid, arguing it is 'Chinese infrastructure companies in the Pacific islands not aid agencies in Beijing that are responsible'.[114] The limited knowledge of China's state versus private-sector activity makes accurate interpretation extremely problematic.

Importantly, and perhaps not surprisingly, China's aid policy is welcomed by the Pacific Island nations themselves. According to a study by Philippa Brant, Chinese aid is appealing due to 'China giving them what they want', and 'the total lack of conditionality'.[115] The patronising approach taken by traditional (New Zealand and Australian) donors has, in many cases, been the reason that Pacific Island countries sought out China as an alternative in the first place.

While China's aid might appear completely unregulated, that too is an unfair assessment. Most is disbursed bilaterally, although China provides US\$850,000 annually to support the PIF Secretariat's trade, development and investment initiatives, and has held two regional meetings in which it publicly announced a range of aid measures with Pacific Island countries.[116]

However, Brant's research has also concluded that despite China's surge in South Pacific aid, New Zealand and Australia, in particular, are still the pre-eminent regional aid donors. In fact, there is no other region in the world where a donor dominates to the extent Australia does in the South Pacific.[117] Over the five-year period from 2006 to 2011—an extended period intentionally chosen to smooth out the expenditure complexity of China's aid—China disbursed approximately US\$850 million in bilateral aid to the eight Pacific Island Countries that recognise China, while Australia disbursed US\$4.8 billion—even New Zealand contributed more than China, with US\$899 million.[118] Indeed, while China-Pacific Island policy frameworks for the distribution of aid are in place, the actual economic benefits are not yet conclusive. As Sandra Tarte concluded during her analysis of the Look North policy:

> Even in respect to aid commitments, problems become evident. These include the Chinese government's reluctance to accommodate [Pacific Island] preference for multi-year program aid as opposed to ad hoc project aid. It has also been noted that aid announcements have been made without the necessary groundwork in place to actually implement the aid.[119]

China's investment in the South Pacific, the third element of economic power, has traditionally been limited to small firms predominantly in the retail and food industries. As China's global engagement has grown in size and complexity, so too has its state and private sector contact throughout the South Pacific. The state-owned China Metallurgical Corporation's US\$1.4 billion Ramu nickel project in Madang, PNG is one example of a significant and enduring investment in the South Pacific region.

The Vatukoula gold mine in Fiji, while not to the same economic scale as the Ramu project, has also seen major recent Chinese investment. It is now assessed as the 12th highest-grade underground gold mine in the world, having been operating under Fijian control since the 1930s.[120] While these two Chinese development's are significant and offer an insight into China's long-term intentions, they still pale when compared to the US oil and gas conglomerate Exxon Mobil, which has a US\$19 billion investment in a liquid natural gas (LNG) development in PNG's Southern Highlands.

A distinct feature of China's resource investment is the limited use of local or host nation labour. This approach fits with the previously-discussed issues associated with Chinese identity in the South Pacific, where the high proportion of Chinese staff, lacking cultural or communication skills with the locals, contributes to 'China bashing' in the popular discourse.[121] China's approach is in stark contrast to

Western resource projects, particularly in the development phase, that have a preference for local labour. The Exxon-Mobil PNG LNG project is a good example, requiring 18,000 locally-sourced workers during construction.[122]

Expanding investment brings with it a suspicion of China's true intentions. For those inclined to consider China a threat to regional stability, economic domination is a logical mechanism to gain exclusive influence and subsequent regional leverage. When considered from a South Pacific Island standpoint, however, balancing financial and security risk beyond one dominant local market is 'simply good politics'.[123] While issues of corruption, transnational crime and resource exploitation are real future security concerns, they should not be overstated. New Zealand political scientist James Jiann Hua To argues that:

> [W]e should not seek to propagate or sensationalise theories of yellow peril or fifth column activity in the region. Most [Chinese] are insular, apolitical and indifferent ... and should not be unfairly stereotyped with those associated with illegal or political activity.[124]

China's regional economic focus is clearly evident. However, it is not alone—international investment diversity is a growing regional characteristic. Irish telecommunications, French energy, South Korean ethanol, Japanese cement and Malaysian logging firms are all notable examples of developing private sector investment. A competitive market place is, therefore, the common denominator and in that sense China is not a unique participant.

While an analysis of China's national power characteristics enhances an understanding of its South Pacific expansion strategies, there is an additional area of study equally as important to regional order—the Pacific Island countries themselves—both collectively as a regional body and as individual nation states. The next parts of the paper will analyse the interests, aspirations, personalities and future threats for the Pacific Island nations in the context of security and stability within an evolving regional order.

Part 3: The Interests of the Pacific Islands

The Pacific Island nations have been effective as a regional body in pursuing individual agendas as well as shaping a plan that meets their shared strategic interests. Strong regional institutions are key to formal and informal leverage; none more so than the PIF, which helped establish the South Pacific governance framework following colonisation. The PIF was founded on the three key principles of egalitarianism, self-determination and no limitations on the discussion of political issues.[125]

These principles demonstrate a clear understanding by South Pacific state leaders of the importance of sovereign recognition and the need to act in a coordinated and collaborative way in order to influence greater powers. The words, on reflection, of Fijian leader Ratu Mara resonate now as much as they did in 1947, when regional institution discussion began, with his assertion that:

> The powers seemed incapable of realising that the winds of change had at last reached the South Pacific and that we peoples of the territories were no longer going to tolerate the domination of the [South Seas] Commission by the Metropolitan powers. We were sick of having little to say and no authority.[126]

In the preceding analysis of China's national power and regional expansion, there can be a tendency to focus on the response from Western regional powers and overlook the Pacific Island states themselves. This unconscious bias might explain in part the frustrations articulated by Ratu Mara. However, despite a small and widely-dispersed population, the Pacific Island countries now, perhaps more than ever before, 'appreciate their strategic circumstances and interests'.[127] South Pacific nations have demonstrated a growing sophistication when it comes to influencing regional powers to achieve or improve their national interests.

An early example included the ability to exploit Soviet-US rivalry to gain multilateral fishing concessions.[128] This success led to a play-off between China and Taiwan in order to maximise aid, trade and investment opportunities. Coined the 'China card', this leverage tool has proven to be particularly effective for South Pacific Island leaders.[129] It is also interesting to note that a number of states have switched formal allegiance between China and Taiwan during the latter period of last century as they sought to maximise any perceived economic advantage.[130]

China's strengthening relationship with Fiji following the 2006 coup perhaps stands out as the most obvious and tangible example of an evolving role in the South Pacific that could lead to a new regional order. In welcoming Chinese President Xi Jinping to Fiji following the 2014 G20 summit, Prime Minister Frank Bainimarama made it clear that 'China had been a true friend to Fiji, when others in the region [Australia and New Zealand] had turned their backs on us'.[131]

China's legitimacy to the Fijian regime has provided Fiji with a newfound sense of confidence. In the space of just a few years, Fiji has established new diplomatic ties with Indonesia, Brazil, South Africa, South Korea and the UAE, and played host to the Russian Foreign Minister. It has consolidated its UN peacekeeping presence, despite pressure from New Zealand and Australia to dissuade Fiji's acceptance, and was elected chair of the G77+China forum of developing countries.[132]

For its part, China continues to publicly reaffirm its policy of non-interference in domestic politics, despite discourse to the contrary, as discussed previously. In doing so, it has avoided direct confrontation with Australia and New Zealand, which are far larger and more attractive trade partners than Fiji.[133] Nonetheless, as recently as May 2015, Prime Minister Bainimarama reiterated that he would not be attending any PIF leaders' meetings while New Zealand and Australia remained full members and while others (meaning China) were not provided the same status.[134] Although the remaining South Pacific Island nations, including New Zealand and Australia, are pressing ahead with PIF meeting plans, the emerging confidence Fiji has demonstrated points to a potential change to the traditional *status quo*.

Part 4: A New Regional Order?

While the PIF has long been considered the leading political body in the region, new agreements and relationships are emerging that could fundamentally alter the *status quo*. As asserted by Ratu Mara, a level of discontent among Pacific Island nations has pervaded regional commentary over the years, largely in relation to Australia and New Zealand assuming a more dominant role in regional affairs, in what Stewart Firth has described as 'a shift to a new, Australian-directed regionalism'.[135] This notion, set against a backdrop of increasing global political confidence and economic opportunity, provides a potential catalyst for a new regional framework.

The South Pacific has seen a significant evolution in four key regional institutions over the last decade: the PIF, Parties to the Nauru Agreement (PNA), the Melanesian Spearhead Group (MSG) and the Pacific Island Development Forum (PIDF).

The PIF has stood the test of time as an effective and enduring regional decision-making body incorporating all Pacific Island countries. However, following the removal of Fiji from the Forum in 2009, and unsuccessful attempts by New Zealand and Australia to lure it back following the 2014 Fijian democratic elections, the coherence and unity of the Forum has been tested. Fiji has succeeded in establishing a rival institution, the Pacific Small Islands Developing States Group, which is recognised by the UN, with a mandate to address the complex but critical issues of sustainable development and climate change. Significantly, New Zealand and Australia are not included within this caucus.

The PNA is the second major institution to undergo major transformation in recent years. Eight countries located within the central and western South Pacific region account for the world's largest non-depleted stock of tuna.[136] This regional organisation was formed to cooperate in the management of fisheries of common interest, specifically but not limited to the valuable tuna stock. In 2010, the PNA strengthened internal institutional arrangements in order to generate even greater economic benefit from common resources. Increasing collegiality between member states—particularly driven by PNG, which funded the PNA's office start-up costs—have set the tone of increasing confidence in the PNA as an independent regional institution.[137]

While PNA's new assertiveness was initially resisted by distant water fishing nations, the clear strategic plans set by PNA and its collegiate approach has resulted in immediate and significant economic success.[138] This has had a spill-over effect of further increasing confidence as a regional leadership and decision-making body.

The MSG is the third regional institution to emerge as a powerful force in its own right. It comprises the five most populated and land-rich nations of the South Pacific: PNG, Solomon Islands, New Caledonia,

Vanuatu and Fiji, in addition to the pro-independence Kanak and Socialist National Liberation Front political party from New Caledonia. Collectively, they have been described as 'the dominant forces in Pacific politics and economics and as largely responsible for the growing Chinese interest in the Pacific'.[139] With formalised structures, including the signing in 2007 of the Melanesian Agreement, which provided important international legal standing, the MSG has increased regional activism focusing on the development of stronger political, diplomatic and economic ties among its member states.

The MSG's future ambitions are also strong, with PNG's Prime Minister Peter O'Neill asserting that 'we can look after ourselves better if we work together.... [and that] Melanesian countries are the biggest in the Pacific and once we are able to engage more actively I think the rest of the Pacific can follow us'.[140] Discussion over a future MSG Economic Union and trade negotiation leverage with New Zealand and Australia in regards the Pacific Agreement on Closer Economic Relations reflects the leadership intentions of its members, as well as a desire for a new regional architecture.[141]

The final and arguably most controversial new regional institution is the PIDF. It was established by Fiji in 2013 as a direct result of its suspension from the PIF, with the aim of building diplomatic ties between Pacific neighbours, but again excluding New Zealand and Australia. The organisation's mandate was simple but clear: to create an inclusive environment; focus on 'green growth' areas, specifically progress on climate change; and a desire for self-determination.[142] Although Prime Minister Bainimarama indicated early on that the PIDF was not created in direct competition with the PIF, more recent commentary provides a different impression:

> Why do we need a new body, a new framework of cooperation? Because the existing regional structure for the past four decades—the Pacific Islands Forum—is for governments only and has come to be dominated only by a few.[143]

Although institutional dynamism is undeniable, some consider the assumption that a new regional framework is inevitable as premature. Perhaps the greatest danger to progress lies within the institutions themselves. PNG and Fiji are the standout powers driving the political and economic agendas. Both have aspirations as regional leaders, however, 'new political currents now run through the region' and friction has already become apparent.[144]

The selection of the PIF Secretary General in 2013 is one example which caused 'internal lobbying and manoeuvring between PNG, Fiji and the Solomon Islands, which tested MSG harmony.[145] Similarly, Fiji and the Solomon Islands had a commercial dispute over aviation access rights, which escalated to Ministerial level before resolution after six months.[146] Prime Minister Bainimarama's expansion of his own PIDF at the expense of the PIF is another example that has the potential to place pressure on the existing PIF architecture, although PNG, among other regional actors, has made it clear that Fiji's self-imposed exile has no effect on planned PIF leaders' meetings.[147]

Indeed, New Zealand Prime Minister Key was quick to point out recently, when questioned about Fiji's desire to see New Zealand and Australia removed from the PIF, that 'it's Australia and New Zealand that put in the money.... [and that] without these two big brothers exactly where will they get the money to do anything … the answer is nowhere—none of them have that'.[148] While a semi-rhetorical question, it tends to reinforce the South Pacific leaders' perspective of the condescending 'patron-donor' relationship between the regional 'haves' and 'have nots', further reinforcing a desire to achieve greater autonomy.

China's South Pacific expansion may appear a convenient rationale to explain a reconstructed regional order, however, analysis suggests there is more to it than that. The development of a new and alternative regional architecture is more than a short-term outcome from regional politics. As Brij Lal suggests, 'it reflects a more fundamental transition in Pacific regionalism and the Pacific regional order'.[149] Fiji's suspension from the PIF and China's diplomatic lifeline accelerated the process, however, as Sandra Tarte concludes in her assessment, 'for the most part these changes were already underway'.[150]

Part 5: Future Threats to Regional Stability and Security

Despite South Pacific diplomatic and economic progress, a number of scenarios demonstrate the potential fragility to regional stability and security beyond China's expansion and increasing regionalism, and their commensurate impact to the *status quo*.

While Fiji has achieved widespread diplomatic and political recognition, the democratic legitimacy of the Bainimarama government at the domestic level continues to be viewed by some with caution. Fiji's 2013 Constitution enables Bainimarama to continue to centralise many powers in his own office and that of the Attorney General. However, Lal argues that the new constitution 'contains provisions that make a mockery of the Westminster system of government' and reduces the Parliament to playing a 'pliant role in the governance of the country'.[151] Although Fiji continues to develop under the tightly-held stewardship of the present regime, the threat of internal military intervention remains an ongoing possibility.

The Solomon Islands has enjoyed a period of stability under the umbrella of protection provided by the RAMSI presence, however, the prospect for continued stability in a post-RAMSI world is less clear. The cyclone of 2014 demonstrated just how reliant the Solomon Islands remains on external support. Aid remains a vital ingredient and, according to a report released by Bishop Terry Brown on behalf of the Solomon Islands Truth and Reconciliation Commission (without the authority of the Solomon Islands Government), issues of governance and economic sustainability are enduring and root causes to the internal breakdown of order in the first place.[152] The UN's Human Development Index places the Solomon Islands at 157 of 187 assessed nation states, further reinforcing the tenuous nature of its society.[153]

Likewise, PNG has a looming range of political, economic and sovereign challenges to contend with. External aid remains an ongoing necessity to economic viability, in particular from Australia and China, with the Exxon Mobil LNG plant and Ramu nickel mines, in particular, representing vital investment opportunities. However, both carry sizeable risk because of indigenous tensions caused through the employment of Chinese ethnic workers and environmental concerns.[154]

Should the economic progress of these resource-extraction industries become tenuous, anxiety and the prospect of violence is likely to escalate. PNG also occupies 157th place on the Human Development Index table alongside the Solomon Islands, reflecting comparable fundamental societal fragility.[155] Compounding this situation is the Bougainville referendum set to occur between 2015 and 2020. A number of security risks are possible, including frustrations over potential legal impediments disrupting the referendum in its entirety, in addition to issues relating to the resumption of mining and commensurate variations in expectations between PNG and Bougainville over the referendum's outcomes and eventual implementation.[156]

Beyond the significant political, economic, social and military threats described above, the region as a whole also faces a range of emerging environmental and cultural threats. Climate change arguably ranks as the most critical medium- to long-term threat, requiring a coherent global response. Regional institutions are developing strategies to target this issue as a priority, however, this phenomenon also has the potential to impact cultural security as the fundamental viability of low-lying states is called into question. Change of this nature brings with it an inherent concern to security and stability for a region seemingly at an interesting and dynamic crossroads.

Conclusion

China's expansion into the South Pacific raises questions of strategic intent and impact on regional security and stability. Nonetheless, as contemporary analysis has grown in detail, so too has the sense that China's expansion stems less from 'unwholesome motives' and more from a logical desire to be recognised on the global stage, in addition to the more practical commercial realities of securing vital natural resources for ongoing economic development.[157] Equally, China's regional expansion should not be overstated.

As Wesley-Smith has observed, 'trade with the South Pacific still only represents less than one-tenth of one per cent of the total value of China's global trade'.[158] Moreover, the strong cultural connection that much of the South Pacific has with the West is based on commonalities in history, language and religion, as well as the overarching umbrella of sovereign support and security provided to many, suggesting that China has a lot of ground to make up if it is to truly test the enduring nature of the regional order. Given the pressing security concerns in China's immediate neighbourhood, and enormous domestic challenges, it appears that it is not in its national interests to do so.

Nonetheless, while China's regional expansion is an accepted phenomenon, the emerging confidence of South Pacific countries presents an interesting potential evolution to the *status quo*. While the PIF has

endured over four decades as the pre-eminent institution, there is a strong internal drive from Pacific Island leaders to assume greater control and accountability over their own affairs. As the historical analysis in this paper has illustrated, the South Pacific is a diverse region requiring nuance and cultural understanding. New Zealand and Australia consider the South Pacific their 'special patch', however, Pacific Island leaders have not always met this sentimental assessment with the same enthusiasm.[159]

This has created an opportunity for Pacific Island countries to reshape a new regional order. Although change of this nature might be interpreted as a risk to regional stability by Australia and New Zealand, as the traditional custodians of that order, the opportunity for Pacific Island nations to enhance individual accountability, strengthen institutional governance arrangements in order to achieve economic sustainability, and engage globally as respected actors in their own right suggests an improvement to regional security and stability is actually a future possibility through an evolving regional architecture. Importantly, New Zealand and Australia are ideally placed to support this process with a greater degree of partnering and engagement—as Joanne Wallis has described, reframing the South Pacific from an 'arc of instability' into an 'arc of opportunity'.[160]

However, future problems and tensions also appear inevitable given the fragile political, economic and security environment. As new relationships develop, both internal to the region and with future new actors, it would be naive to overlook equivalent issues such as power asymmetries, political agendas and future non-traditional challenges including environmental and cultural threats. All will play a part in the region's future security and stability.

Australia and New Zealand's role as the existing regional powers, therefore, appears to be as critical into the future as it has been until now. Perhaps the greatest challenge for Australia and New Zealand will be to understand how to harness the multi-faceted requirements of a growing superpower, within an evolving regional order of increasing sophistication and assertiveness, against a backdrop of regional economic and political fragility. Clear policy, strong people-to-people relationships and greater nuanced awareness are three important elements necessary to overcome that challenge.

This paper has examined China's expansion into the South Pacific from a diplomatic, identity, military and economic perspective. It has also analysed the interests and future challenges of the Pacific Island countries themselves as they seek to shape a new regional order. The conclusion is that China's expansion, and increasing Pacific Island regionalism, do not constitute destabilising effects to the existing *status quo* in the next decade.

Notes

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