Ear to Asia podcast

Title: China's Pacific push: Assessing the impact on island nations

Description: China’s ambitious push into the Pacific Islands through infrastructure investments and loans has raised concerns about its grand strategy and geopolitical goals for nearby middle powers such as Australia. Meanwhile, Beijing's recent security deal with Solomon Islands plus its attempt to strike a larger deal with ten other island nations has prompted Australia to reaffirm its commitment to the region. So, what's been the real trade-off for the island nations caught up in China's Pacific aspirations? And how are the U.S. and its allies such as Australia, who have long assumed some sphere of influence in the region, responding to China's push? Seasoned China watcher Associate Professor Graeme Smith joins host Peter Clarke to examine China's growing footprint in Pacific Island countries. An Asia Institute podcast. Produced and edited by profactual.com. Music by audionautix.com.

Voiceover:

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Peter Clarke:

Hello, I'm Peter Clarke. This is Ear to Asia.

Graeme Smith:

A lot of Pacific Islanders are pretty impressed because they're seeing the Chinese as building stuff, building stuff quickly and getting the job done. So there's a trying to get stuff done narrative that the West has singularly failed to do in the region. But given where China's economy is going, what we might be looking at are the dangers of a weak China. What happens when the investment dries up? This is something we should also be aware of, that the strength of the Chinese state to manage all these actors abroad may be greatly reduced because they have domestic problems to pursue.

Peter Clarke:

In this episode, China's Pacific push: Assessing the impact on island nations.

Ear to Asia is the podcast from Asia Institute, the Asia Research Specialist at the University of Melbourne.

In recent years, China has emerged as an eager player in the Pacific Islands region providing sizable infrastructure investments and loans across several of the island nations, which have long faced development challenges due to their small size and isolation. China has bankrolled new ports and roads in the region, and has ramped up commercial activities and diplomatic efforts. Yet, their engagement is seen by many as a sign of Beijing's greatest strategic geopolitical goals. While China seeks longterm access or even control over fisheries and other natural resources, the hosting of Chinese naval ships in Pacific ports is likely also on its wishlist. That's a cause for concern for nearby powers such as Australia.

Indeed, China's controversial 2022 security deal with Solomon Islands and its recent attempt to strike a larger such deal with 10 of the island nations sent foreign minister Penny Wong scurrying across the region in an attempt to reassert Australia's commitment. Meanwhile, key questions remain over the sovereignty of the island states and how vulnerable they are amid the great power competition between China and the United States. So, what's been the real trade-off for the island nations caught up in China's Pacific ambitions? What's been the experience of their engagement with China so far,

and how are the U.S. and its allies such as Australia who have long assumed some sphere of influence in the region responding to China's push? With me to examine China's rapidly growing footprint in Pacific Island countries is seasoned China watcher, Associate Professor Graeme Smith from the Australian National University. Graeme is also the co-founder and co-host of the Little Red Podcast. Welcome to Ear to Asia, Graeme.

Graeme Smith:

Lovely to be with you, Peter.

Peter Clarke:

Getting ready for this conversation, which I've really been looking forward to, I got out the map of the region, because I think many Australians don't have a clear idea where this great sweep of islands are. I was able to see China, that great sweep across the north of Australia, New Zealand, and across out into the East Pacific. So, let's start with a bit of geography, Graeme, and a bit of demography as well. Just quickly summarise for me, what are the islands we're talking about? What are these nation states, and what are they actually like?

Graeme Smith:

I mean, you have an immense diversity across the region. Generally, when we talk about the Pacific, we're talking about members of the Pacific Island Forum, but beyond that, there's all these U.S. territories and things that fall in between all the way from, say, Norfolk Island to the Pitcairns to American Samoa, even Guam, which is basically a floating naval base for the U.S. Army. In between that, you have the divide between what we call Micronesia, Melanesia, and Polynesia, which all have very different characteristics. When America talks about the Pacific, they're usually referring to the Northern Pacific that they have this compact states agreement which basically allows these states, Palau, FSM and the Marshall Islands, access to the U.S. labour market, access to serve in the U.S. military, social security, that kind of thing.

So, they always think of the Northern Pacific, whereas when Australia is talking about the Pacific, we are mostly thinking of Melanesia, Solomon Islands, Papua New Guinea, Vanuatu, Fiji. And again New Zealand, when it talks about the Pacific, it's often thinking of mostly about Polynesia, because it is to an extent something of a Polynesian country, and that it has about 8% of its population is Pacific Islander, largely Polynesian from Tonga and Samoa. So, everyone is meaning different things, these Western powers, when they say Pacific, and incredibly different economies. You have Tonga, the most remittance-dependence economy in the world, down to Papua New Guinea that basically has no remittances whatsoever. So, it's really, really hard to generalise, but everyone does. If you were to look for a common characteristic, it would probably be remoteness, people that do indices of these things. The Pacific is one to 10 the most remote countries in the world, Tuvalu taking the title of the least visited most remote country in the world. So yeah, that is the one characteristic you could say that they share.

Peter Clarke:

Just quickly in passing, Indonesia is part of that, and the way it touches on Papua New Guinea, so where does Indonesia fit into this broad tapestry?

Graeme Smith:

That was very much a topic of conversation at the Melanesian Spearhead Group meeting in Vanuatu, where on the table, there was a proposal to include the West Papua Liberation Movement as part of the Melanesian Spearhead Group. To the surprise of absolutely no one, it got shot down due to lack of support, particularly lack of support from Papua New Guinea, which of course shares a border

with West Papua and Indonesia. So yeah, Indonesia is seldom talked about, but in many ways, it has more skin in the game than China does.

Peter Clarke:

You mentioned those Micronesian, Polynesian, Melanesian groupings, and you mentioned also the Pacific Islands Forum, Graeme, which has about 18 members, a little bit fraught at the moment around Kiribati perhaps and Palau. But what binds them as a group, and what are those divisions within the Pacific Islands Forum and more broadly in the Pacific Island nations?

Graeme Smith:

Yeah, the PIF is a really interesting case study. There was a big falling out as you alluded to over who was going to be the chairman or chairperson, I should say, of the PIF. Micronesia thought it was its turn Polynesia, which in many ways feels ownership over the Pacific Islands Forum, thought that it could have its turn whenever it wanted. And so, they appointed their own director much to the chagrin of the Micronesian countries. But in terms of what divides them is probably easy to talk about. To put it bluntly, these racial grounds, the Melanesians often feel that they are talked about in a racist way by the Polynesians. The Micronesians likewise feel that they're left out of things. They're not fully accepted as part of the Pacific by the Polynesians or the Melanesians. So there is a lot that divides them. Oddly, what brings them together is shared crises, particularly climate change and the number of natural disasters or rather manmade, natural disasters these days that they're experiencing in the form of cyclones, earthquakes, et cetera.

Peter Clarke:

You've already partly alluded to this, but many of these nation states, because we're going to be going back and forth over history here a little bit today in our conversation, many of these nation states have had a colonial past, very clear colonial past. So taking a snapshot of today and some of those tensions you've been describing, how does that colonial past continue to infuse their present?

Graeme Smith:

It's a huge influence on what we see in the Pacific today, and it's often something we like to walk away from as western colonial powers, but the impacts are enormous. And just to take, say Fiji for an example. In Fiji, you had this approach from the British administrators that was quite common throughout the Pacific, not just by the Brits, but by the Germans as well, to take a terribly protective approach to almost shield them from development and try to keep what they saw as the native population in an original, pristine, almost sort of paradisiacal state of being. If they wanted to have corrugated iron on the roofs, the administrators would say, "No, no, no, you should stick to your traditional methods of roofing, your houses." And what they would often do in these situations is they would say, "Well, okay, the Melanesians can't develop themselves, so we'll bring in Chinese labourers," or in the case of Fiji, we'll bring in Indian labourers to work the plantations and make the money and in a way, shield the Pacific Islanders from what we'd call development.

Peter Clarke:

Graeme, you've already described the geographic sectors that we are dealing with here as seen through the lens of Western powers, the United States, Australia, and New Zealand. What's your understanding of how China views this region?

Graeme Smith:

Yeah, sure. So the Northern Pacific is really, if we are thinking in a China lens, this is China's area of strategic interest, because it is the area that a U.S. Navy would need to sail through in order to retake

Taiwan, which is what we are talking about or people like to talk about as something that might happen in the next five to 10 years. The South Pacific are quite a different set of considerations from a geostrategic point of view, obviously very close to Australia and New Zealand, but not nearly as crucial, if you like, in geostrategic terms. A lot of people jump up and down and say there might be a base in Solomon Islands, but really what is important to the Chinese Navy is access rather than complete control, access will do them, shall we say. So yeah, there is a real difference. The Northern Pacific is very key. Timor-Leste sometimes considered part of the Pacific is also very important, because of sea lanes and undersea submarine passages, but the rest of it not all that crucial to China.

Peter Clarke:

These island nations, these countries vary quite markedly, don't they, in terms of their natural resources. I'm thinking of Papua New Guinea, on one hand, enormously mineral and other resource rich and some of the other islands really limited almost to fisheries, et cetera, that blue economy, which will come to in a moment with China's push into the region, just compare across the whole sweep that we're talking about, those varying economic resources.

Graeme Smith:

Yeah, so you mentioned terrestrial minerals. PNG has, as they like to describe themselves, a sea of gold and a sea of oil. They have immense hydrocarbon and mineral resources. All of them tend to have quite decent fisheries resources, some of them disproportionately large EEZs. So Kiribati, for example, has an EEZ that stretches 5,000 kilometres from east to west, an enormous EEZ for a very quite a small grouping of islands. So it does differ. The one thing that will be interesting going forward is of course, deep sea bed minerals. We often overlay onto the Pacific that they're all a bit like avatar, the innocent creatures from avatar who don't want to exploit the environment. But if they are sitting on an absolute windfall in terms of deep sea minerals, there are very few Pacific Island leaders who will not step forward to take the bag of cash. So that will be really interesting, I think in probably the next 10 years or so when it becomes commercially viable.

Peter Clarke:

And those exclusive economic zones that you referred to could themselves become contestable?

Graeme Smith:

Yes, absolutely. We know in the South China Sea that China doesn't mind contesting who owns an EEZ. I don't think we'll necessarily see that sort of artificial island building going on in the South Pacific. But certainly once there's a dollar to be made, there are a lot of disputed borders, for example, between Vanuatu and New Caledonia would be one, and that sort of thing will become a serious source of tension.

Peter Clarke:

Since you mentioned New Caledonia, just very briefly, where does France fit into this fabric?

Graeme Smith:

Yeah, so France didn't really decolonize. I mean it left Vanuatu very reluctantly. Vanuatu was a strange colony in that both the British and the French had claims to it and sort of co-governed Vanuatu. They had this strange thing whereby their flags had to be of exactly equal height, and all kinds of nonsense went on in Vanuatu between those two powers. But France has the largest claim on EEZs in the world, largely as a result of its French Pacific territories. It's some massive, massive number on the back of New Caledonia, Wallis and Futuna, French Polynesia, I might've missed one

there, but they have an immense ocean expanse that is France. And our own defence minister, bless him, referred to France as a Pacific nation, which I think raised a few eyebrows in the Pacific.

Peter Clarke:

But does it theoretically bring France and, by extension, the EU into this overall set of tensions?

Graeme Smith:

It certainly does, and the French in particular get very concerned when there's some suggestion of geostrategic influence inside their territories. But of course, then you have people looking to be part of decolonization, which puts Australia in quite an awkward position, because particularly in New Caledonia where we wanted to be best friends with France, again, after the whole submarines' debacle, you have an independence movement and you have our own formal commitment to decolonization, and yet we kind of seem to be favouring the status quo in New Caledonia.

Peter Clarke:

Let's do all before and after and draw together some of these threads. So prior to China's push into the region, how was this group of nations we're alluding to, administered and supported before compared to how their administered and supported now?

Graeme Smith:

So I would say that China's arrival hasn't made that bigger a difference to the governance of the region in that a lot of what you see going on now, what's grabbing the headlines now is this vote of no confidence in Vanuatu. That sort of stuff was going on long before the Chinese arrived, and similarly in Papua New Guinea, the sort of chaotic elections you get in PNG, really China's arrival hasn't made a huge difference to any of that. What China's appearance has done is it has given to the Pacific elite and Pacific governments, in general, an option and a way to leverage Australia, America and New Zealand to get different support, greater support and greater interest in the region. And I think that's been the main thing. But in terms of how the countries are actually run, China hasn't brought all that much change, because governance is obviously not the top of its agenda when it comes to these places.

Peter Clarke:

So what do you see as the starting point for a very clear, expansive move by China?

Graeme Smith:

Yeah, so really there's two points. You have this moment in 2006, where Premier Wen Jiabao, gets on a plane, goes to Suva and has the first of these China-Pacific Island development forums. And at this forum he announces a $1 billion in concessional loans and $1 billion in commercial loans. Now, the commercial loans never really came to fruition, but the concessional loans certainly did, and that led to this explosion of aid projects across the Pacific, and a lot of them were hastily put together and not terribly well thought through. Then again, with Xi Jinping coming to power, you have this other moment if you like, around APEC in 2018, where there's this real signal just as a result of the leader's presence that this is a region that we want to focus more attention on. So really there are those two kind of watershed moments, one where the state kind of says, "Yes, we're going to invest in a big way," and the other when Xi Jinping comes in and is there for APEC and makes quite the statement. So those are the two dates I would say, where things changed.

The other moment of course is 2014, when Xi Jinping shows up in Suva and talks about the express train of China's development and that everyone should get onboard. So that was another moment when things were pushed forward.

Peter Clarke:

We'll come to Wang Yi's big tour around the region in a moment, but could you nail for us just what are the actual benefits for the citizens of these many Pacific Island countries? Can we see actual outcomes in employment, education, healthcare, et cetera?

Graeme Smith:

Yeah, the clearest benefits you could point to are that it has focused the minds of a lot of other donors on the infrastructure needs of the region. And in terms of tangible benefits, you would say their passion, some might say mania for road building has been of immense benefit to the Pacific, particularly to Melanesia, where the lack of roads hurts everything from education to health, people not being able to get to a hospital in time, because the roads are a diabolical, people not being able to go to school because they can't find a workable road to leave their village and get to the nearest school. I think those infrastructure outcomes are the biggest thing. Part of the problem they have is the elite very early on in many Pacific countries worked out that while Western donors wouldn't fund their request for fancy government buildings, China would say, “Yes”.

And when you talk to Chinese aid officials such as they have, they often express a great deal of frustration that they'd rather be building hospitals and so forth, but that's not what the leaders asked for. They say like an air-conditioned office for ourselves, thank you very much. That's not on China, that's on a lot of the Pacific elites themselves.

Peter Clarke:

Let's drill down a little, and I guess in many ways more speculative, but you must have thought about this very deeply. What does China essentially want from the Pacific Island countries themselves and want from this expansion? It's not a big market, so it can't be largely economic. Is it strategic? Is it ultimately to do with Taiwan in some way? What do they want?

Graeme Smith:

They want a whole bunch of things depending on which Chinese actors you're talking about and which bit of the Pacific you're talking about. So if you're in Guam, your interest of the Chinese state is very different to if you're sitting in Tonga or the Solomon Islands. There's a missile called the Guam Killer, which focuses your mind rather acutely, if you're a citizen of Guam, there is not a Solomon Islands killer in China's arsenal. So the military interest is really about the Northern Pacific. PNG is a thing all to itself in that, by chance, it is home to some of the most strategic minerals that we know of, not necessarily just rare earth that we like to talk about, but things like nickel are there in large quantities and are really key to China's economic transformation. So access to these strategic minerals is a big thing. Fish, of course, is the other big thing. China is home to the world's largest distant water fishing fleet and possibly along with Taiwan, the most lawless fishing fleet going around. That is a huge area of interest to them.

And of course, UN votes. This is the Taiwan factor. They want countries to vote for them at the UN, and tiny countries get the same number of votes in the UN as enormous countries. So that is another major focus.

Peter Clarke:

And Graeme, China is clearly one of the world's greatest consumers of coal, and Australia is the world's largest exporter of coal. So where does that play into the equation?

Graeme Smith:

It's really varied over time. Under the Morrison government, China, through its news agencies liked to give Australia a lot of stick and rightly so about its addiction to coal. But I think at the Edinburgh COP, the rose-tinted glasses that a lot of Pacific Island nations viewed China with came off when China, along with India, lobbied for the watering down of language around coal. And I think at that point they thought, "Well, hang on, you guys aren't really our ally on this issue, are you?" And to be honest, they haven't done as much on climate change in the region as they might. They really haven't exploited the propaganda dimension of it. They're certainly exploiting the propaganda dimension of Fukushima, though they haven't missed this boat at all. So yes, pretty well every day one of their ambassadors in the Pacific will jump up and express their outrage about this.

Peter Clarke:

Just putting on a slightly wider lens, Graeme, how does the Belt and Road Initiative feature in this relationship with the Pacific Island countries? I noticed a small clutter of them, including Niue, have signed up when Wang Yi did his tour around the region. So where does Belt and Road fit in?

Graeme Smith:

Yeah, I mean, most of them have signed on to BRI and it is, if you were to say that China had a global strategy, this is the branding for that global strategy. They've started to introduce a few more things recently, like the Global Development Initiative that covers a lot of the same territory. The problem that China faces with the BRI, and this is a shift that has been happening for a while, is the enormous pile of cash that they had in the form of foreign reserves has not completely dissolved, but it isn't what it was back in say, 2014, 2015. As a result of trying to defend the RMB, the reserve sank from around about 7 trillion down to less than 2 trillion. Still a lot of money, but not the kind of money you can throw around at projects and not get your money back. So what you used to sort of see in the past, these not well-vetted projects, they're not really happening anymore. Now, if China puts down some money, they will have done a lot more due diligence than they would've done back in 2006.

Peter Clarke:

You are listening to Ear to Asia from Asia Institute at the University of Melbourne. And just a reminder to listeners about Asia Institute's online publication on Asia and its society's politics and cultures, it's called the Melbourne Asia Review. It's free to read and it's open access at melbourneasiareview.edu.au. You'll find articles by some of our regular ear to Asia guests and by many others. Plus you can catch recent episodes of Ear to Asia at the Melbourne Asia Review website, which again you can find at melbourneasiareview.edu.au. I'm Peter Clarke, and I'm with seasoned China watcher, Associate Professor Graeme Smith from the Australian National University. Let's now put the spotlight on the Foreign Minister Wang Yi's tour around the region. How did that actually go? I read many different commentaries that it was essentially, even though there was some success, there were many failures as well. He didn't do it as part obviously with the Pacific Islands Forum, operated outside that aggregation, that gathering. How did it actually go? What sort of conversations did he have with the various Pacific Island nations and where does that leave us now?

Graeme Smith:

Yeah, it's an interesting one. It's very hard to assess whether it was a success or a failure. Certainly there was the headline failure of not getting people to sign up to the big regional deal that they had proposed, but you could see that almost as a sort of a bargaining strategy in that whilst the regional deal wasn't signed off on, a huge number of bilateral deals were signed onto these MoUs with countries across a whole range of issues, many of which we've never seen the text of. We don't know exactly what has been signed onto. So Wang Yi, he's a funny old chap, he's quite a grumpy sort of a cat, unlike his brief successor as Foreign Minister, Qin Gang, who would've been much more suited to

this Pacific trip than Wang Yi would've been, to be honest. He's a much more personable fellow, Wang Yi is a very grumpy cat.

So he wouldn't have necessarily gone down terribly well in Pacific capitals. They like people who are a bit more smiley and a bit more chatty than Wang Yi is. And certainly his aversion to the press didn't win in too many friends amongst Pacific communities. But yeah, I think on-balance, they would say they reclassified their multilateral agreement as a statement paper or something like that and declared it a success. But yeah, I'd say probably about six out of 10. If I was to give it a mark.

Peter Clarke:

You spoke of Wang Yi's aversion to media and during his 2022 Pacific tour, various media organisations, local journalists and the ABC seem to have been shut out. How significant was that, and how much bruising did that cause within the perceptions of the various nations who, as we touched on earlier, had those colonial backgrounds and some values frameworks around free press and the like, but Wang Yi and his entourage seemed averse to allowing free media access? How did that go down?

Graeme Smith:

Look, not terribly well, it's one of these things, they like things to be very carefully stage-managed, but trying to carefully stage-manage stuff in the Pacific, it's not necessarily a great strategy. And I guess the low-light was probably in Solomons where they took I think a grand total of one question from a local reporter and one question from a Chinese reporter, and that was it. And the other one, of course was in Suva where they had a couple of goons evicted from an event, because they just invited themselves in and found themselves kicked out. So those sorts of things domestically, Rabuka made use of that in his election campaign, the closeness of Bainimarama to these people behaving like this. So certainly it wasn't a winning strategy to put it politely.

Peter Clarke:

You've used the Solomons word, so let's go there. What are the major concerns from Australia and by extension of course, the United States, about some of these developments? Are they primarily around security?

Graeme Smith:

Look, the Solomons is a really complex political system, and the difficulty or the problem is you often get people putting very simplistic geopolitical narratives over the top of what are very much domestic political contests. This idea that Malaita is home to these freedom loving people who embrace Taiwan and what nothing to do with China, it's beyond absurd. I mean the corruption you see in Solomon Islands, a lot of that is down to Taiwan and what they did with these rural constituency development funds where they essentially channelled money directly to the MPs who then use it to buy votes. So the major sort of malignant cancer on the Solomon Islands polity is down to Taiwan. And China, when it came in and inherited Taiwan's portion of that money were very reluctant to do the same thing and even tried to clean it up a little bit. I think they've since wised up that you don't get between an MP and a bag of cash.

But yeah, it's a really complex contest in the Solomon Islands and at the centre of it, you have the Prime Minister Sogavare, who has a really tense relationship with Australia, and China has exploited that for all it's worth.

Peter Clarke:

Do you think it's fair to say that the previous government in Australia was asleep at the wheel in terms of its diplomatic efforts in the Pacific region, because we did see an enormous burst of energy

from Penny Wong as the new Labour foreign minister? Did Scott Morrison and his government fall asleep at the wheel regarding the Pacific?

Graeme Smith:

I think that's probably a bit too harsh a verdict. Oddly Morrison, as a result of his religious faith, got the Pacific in a way that many of his Labour predecessors did not. And he actually went down reasonably well in a lot of Pacific countries just for his willingness to get there and embrace the whole evangelical side of things. The foreign minister definitely is a very sharp contrast. Marise Payne for whatever reason, seemed pretty reluctant to get on a plane to the Pacific, except when it was sort of crazy things like hosing down a Chinese fishing base in Daru in Papua New Guinea, which something that was never going to happen. Yeah, Marise certainly didn't go down as well as Penny Wong. And Penny is doing pretty well exactly what needs to be done, which is showing up, which is listening, which is really being engaged on a serious level right across the region, not just selectively visiting one or two countries and thinking that that represents the Pacific.

Peter Clarke:

Is China interested too in other really critical infrastructure developments, which they can to some extent get hold of? And I'm thinking of telecommunications obviously crucial within those far-flung nations. Is China working hard to try to infiltrate those particular big infrastructure and crucial projects?

Graeme Smith:

Yeah, I mean, when you say China, there's two companies really at the heart of it, and that is ZTE and Huawei. And both of those have been active for decades in the Pacific in a very muscular sort of a way trying to get projects up. And that is partly geostrategic and partly down to the corporate DNA of these companies. They're extremely assertive in the way they do things. Huawei in particular had a reputation/practise of going into the offices of Pacific Island countries, particular departments they wanted something from and they would shut themselves in until they got what they wanted or going into, say, the Reserve Bank building in Samoa and looking over people's shoulders and trying to influence them directly. So yeah, they behave in a much more assertive way even compared to other Chinese companies.

Peter Clarke:

We've had some discussion about the Solomon Islands and the role of Sogavare has raised a lot of discussion in Australia, and more broadly. You talked about sea lanes, for example. So having Chinese naval bases in the South Pacific would clearly not be in Australia's interest. I'm trying to dig into what the push and shove is actually about. What are the potential prizes here, Graeme?

Graeme Smith:

So I think what China wants is access largely, I mean, it has a very large bluewater Navy and large and expanding bluewater Navy, and it very explicitly wants to have a global Navy, and you can't have a global Navy unless you can freely access ports across the region. So this is, I think, their main priority rather than necessarily having a fully fledged naval base, which would be extremely vulnerable given its distance from China. But what they want, whether it's working with local militaries or local police forces or ports authorities, is to get access, not necessarily to get full control, because full control brings a whole bunch of problems. The counter argument to that is that it's something I put to Hugh White once. I said, “Look, Hugh, why would China want a military base in the region?” And he said, "To show that they can and buy that, deliver an immense dent to American prestige in the region." So I think there's some salience to that argument. It can't be ruled out.

Peter Clarke:

Put the spotlight for us on Sogavare himself. What sort of man is he? What is pushing and pulling his relationship with China? And quickly just summarise for us the nature of that security agreement that the Solomons signed with China.

Graeme Smith:

Sure. So Manasseh Sogavare a very passionate, he's a son of ministers, so he is a very religious man. He sees himself as sort of a salvation type figure for the Solomon Islands. It's his fourth go at being Prime Minister, and one would probably venture his fourth and last go at being Prime Minister. He's not young anymore. And so, he has a really fraught relationship with Australia, largely as a result of some fallouts through the RAMSI mission, the regional assistance mission to the Solomon Islands that went on for more than a decade. And during that, there was an incident whereby his officers, when he was Prime Minister, were broken into by the Australian Federal police without his knowledge in order to gather evidence for the Moti affair, this is a child sex case. And that really put his nose out of joint. He felt that as the Prime Minister of the country, surely you should at least notify him before you go and start rifling through his office for papers.

So he's never been a huge fan. And in switching from Taiwan to China, he was quite explicit in my podcast, ironically enough, about what China offered that Taiwan did not. And essentially it offered a partner that Australia would not only take seriously, but a partner that would not be bullied as Taiwan had been in the past by Australia. And that would in the future, in a way, expedite his own ambitions for Solomons to have its own armed forces. So yeah, he sees a lot in the China relationship. He plays the part perfectly. If you look up Sogavare on CGTN, you'll see an extraordinary interview whereby he not only ticks off every Chinese officials talking point, but adds in a few more. It really is quite an immense display of loyalty to the PRC. In terms of that policing agreement, we don't know for sure what's in it. We've seen the draught version. The language of it was extremely vague, and that's concerning, because vagueness is something you can take advantage of and it's certainly happened in the past in the Pacific.

Peter Clarke:

We've already touched briefly on Wang Yi's 2022 tour and multi-country visits and some online meetings, et cetera, and that Fiji gathering as well. So that's an attempt at multilateral diplomacy and multilateral agreements. Is it a more natural fit for China to work nation by nation and interact with as they have with the Solomons? Is that a more natural fit for China and perhaps I've had more success by doing that?

Graeme Smith:

So yeah, they're much more comfortable with the bilateral. The bilateral is what they do well, the bilateral is what they are 100% comfortable with. And yes, in the Pacific, governments do change and you get sharp changes, for example, in Fiji for the Bainimarama government to the Rabuka government. But even watching how they're managing that transition and watching how some of Rabuka's more extreme rhetoric on the campaign trail is not being translated into some anti-China policy. The relationship with Fiji is still quite strong. So bilateral is what they're set up for and it's what they know best. They don't know the regional institutions well enough to be a big multilateral player, even though looking at it from the outside, there's some pretty low-hanging fruit that they could be grabbing there.

Peter Clarke:

I think we partly alluded to some of the cultural differences between China, and by China we're covering a lot of ground as well, but between the central culture of China and the way they operate

and the islands, because you described very well for us that vast diversity within the islands, particularly the Melanesian cultures. How are they reacting to the presence of actual Chinese nationals in their midst? Are there resentments? Is there a standoffishness? Is there a sense of these are aliens? How do the locals react to Chinese themselves?

Graeme Smith:

I'll touch on a few strands you get. It depends on the sorts of interactions people are having with the Chinese state. In some situations, for example, now in the Solomon Islands with the building of all these facilities for the South Pacific games, a lot of locals are pretty impressed, because they're seeing the Chinese as building stuff, building stuff quickly and getting the job done and putting up these pretty impressive stadiums. So there's a China get stuff done narrative that the West has singularly failed to do in the region. The other interaction most common for Pacific Islanders is through their local shops. So the dominance of Chinese retailers is almost complete throughout the Pacific, probably most strong in Tonga, but all throughout the region, these small shops and restaurants are often run by Chinese nationals from Fujian and Guangdong, and that is how they meet China.

And it's not at all anything the Chinese state would've designed itself, because these merchants are often not friends at all of the Chinese state. When I talked to some of them back in 2019 before the switch from Taiwan to China, pretty well as a man and a woman, they all said, we don't want the switch to happen. We do not want the official Chinese state to be here in Honiara, because they will be a pain for us, and it will mean more Chinese people coming here, which will also be bad for business. So yeah, for those people, there's a tense relationship with these shopkeepers. You see this in riots that break out across the region where these shops are often targeted by looters, fairly opportunistic, but there is a genuine resentment, a feeling that these Chinese merchants are taking away opportunities from Pacific Islanders.

Peter Clarke:

Obviously, Australia is a tiny minnow compared to China, both economically and in terms of population, et cetera. So for those Pacific Island nations that fall more clearly into the sphere of influence of New Zealand and Australia, how can we compete with China in terms of what we can offer them? What are our strengths in terms of competing with China in the region?

Graeme Smith:

Yeah, I mean, our strengths are largely the positive sides of our legacies from things as mundane as our interest in rugby. The Rugby World Cup, the eyes of the Pacific, particularly Fiji, Samoa, Tonga, are all on the Rugby World Cup, which we are playing a part in. There's no Chinese team in the Rugby World Cup, but these, if you like, legacies, some of them positive and negative church groups, for example. Again, an area that China doesn't really have any in or any vision of how they influence Pacific societies; churches are hugely influential, and that's a longstanding Australian link. But I guess to flip the question around, given where China's economy is going, what we might be looking at are the dangers of a weak China. What happens when the investment dries up? What happens when these companies that have moved to Papua New Guinea suddenly don't have a pipeline of projects? And that is a question being asked as far away as Vietnam, where people post-COVID were thinking, well, the investment tap will be back on. And they're finding that it's not.

What happens if this real estate bubble pops? As it looks like it's about to in China with Country Garden about to fall over. So this is something we should also be aware of is that China, not that the threat will disappear, but the strength of the Chinese state to manage all these actors abroad may be greatly reduced, because they have domestic problems to pursue.

Peter Clarke:

We've been briefly surveying the tangibles, and you talked about infrastructure projects, the stadiums in the Solomons, et cetera, things you can see, things you can touch, things you can enjoy, but to be more abstract, let's talk about sovereignty. We haven't used that word very clearly in our conversation so far, that is more abstract and more ineffable, isn't it, in many ways within these cultures. So what risks do you perceive Graeme, to the sovereignty and the sense of sovereignty and independence of Pacific Island nations from the Chinese expansion?

Graeme Smith:

Yeah, the Pacific Island nations, as you mentioned their neutrality is a strong part of their position, and that has long been in the DNA of many, many countries. And whenever there's suggestion that China might be building a base in a Pacific countries, the first thing any Pacific Island leader will say, "We are staunchly neutral, we're not aligned, friends to all enemies to none," is the mantra you'll hear over and over again. Now, the question on the sovereignty is you do have, just because of the size of China and its interest if you like, in reaching beyond its borders to govern its own people, you do have these instances where there's clear violation of Pacific sovereignty. For example, in Fiji in 2017, 77 Chinese nationals basically taken from Nadi and transferred back, do not pass the Fijian legal system, do not pass go. And under Bainimarama, that was possible.

But now when you look at it, you think, gosh, Fiji has a functioning court system, why weren't they put through the courts? Similar thing happened in Vanuatu back in 2019 where they just went in, bypassed the legal system and took six alleged criminals who had Vanuatu passports out of Vanuatu and back to China for trial. Turned out they probably were criminals, but this tendency to overreach beyond its borders does rub Pacific Island nations the wrong way. I mean, neutrality cuts both ways in that from the point of view of Australia and the point of view of America, this, "Friends to all, enemies to none," doctrine is seen as a bit naive. It's like get with reality. At some stage you'll have to make choices about who your economic partner is and who your security partner is. So this longstanding doctrine is as much of a headache to the metropolitan powers as it is to China.

Peter Clarke:

Let's be speculative, and I want to use this as a mini-case study, just to explore what you've just been describing. It does seem very likely that ultimately, particularly during the reign, the period of Xi Jinping that China will reabsorb Taiwan back into the motherland. What will be the ripple effects of that across the Pacific, not only Australia and New Zealand, but across these Pacific Island nations?

Graeme Smith:

Yeah, I mean, for Guam it could be potentially devastating. As I mentioned, there's a missile called the Guam Killer, and through no fault of their own, this country has basically become an enormous American military base with about one third of its surface area covered by military facilities. And so for Guam, I mean, is there any future after such a conflict if America decides to intervene in a muscular way? And that really depends on what U.S. administration we're talking about. If we were looking at a Trump administration, China now knows that Donald Trump is not going to come and save Taiwan. He said as much after he left office, and they didn't realise that back in his first term, they will know that now. So it will have a huge impact on the Northern Pacific in particular, if there is a full-scale battle to retake Taiwan, because all of these countries, the Marshall Islands, Palau, they're right there in the firing line, and it will be devastating for them.

Globally, I mean, the ripple effects of that are enormous. There are four countries in the Pacific that recognise Taiwan still. Where does that leave them? Are they enemies of China? They now have a China that no longer exists, where do they go with that? So the ripple effects are quite enormous.

Peter Clarke:

So in this conversation, Graeme, we've described the diversity across all these island nations, but also some of the glue that's holding it all together. We've talked about the diversity across the geographic sectors across the Pacific, and you've described the neutrality, that philosophy if you like. So is that philosophy a viable longterm strategy for Pacific Island nations, or are alliances going to firm up as we see geopolitics unfold over the next decade?

Graeme Smith:

I think from the perspective of the Pacific Island states that they don't see any great need to change in that they can look to Sogavare and his government, which has done everything it can to poke Australia in the eye. And has it hurt it in terms of assistance? Not at all. There's no suggestion that no matter how extreme he gets with his language, that we are going to cut off our aid to the Solomon Islands quite the reverse. The more he pokes us, the more we seem to be keen to step in, lest China step into a given sector, policing assistance being the most obvious example. So yeah, I don't think there'll be for changing however much the hard heads in our security community might like them to do so. There are exceptions. Of course, Palau asked for a military base to be built on its soil, probably the first time in history that's happened. But aside from exceptions like Palau, I think most people will keep hedging their bets, because it brings benefits.

Peter Clarke:

Let's finish our conversation with the elephant in the room and that's climate change and that existential threat to so many of these islands, not all of them obviously, but to a really significant number of them, and the way China deals with climate change the way Australia New Zealand deals with climate change and the United States. So climate change and its impact on the future. Again, we've talked about strategic neutrality. What about climate change and its impact on the alliances and on the future of the Pacific?

Graeme Smith:

Yeah, it's already having a huge impact on relationships. I mean, we have our first batch of climate change refugees being arranged between Kiribati and Fiji. We have situations such as Tuvalu, which is essentially being described as sinking. Now that doesn't mean the whole population is necessarily jumping up and down and saying what is to be done. But all the three powers you mentioned, Australia, the U.S. and China are seen as not taking this problem seriously enough. And that in terms of the relationship with the region, puts them in a not great position. Now, hopefully we don't reach a point where we have a person in the White House that thinks climate change is not real and tears up all the architecture. But this is the thing that Pacific leaders have to accept that this is a reality. And if you can't be sure that your major security partner is going to be governed by someone who is sane, then why wouldn't you hedge your bets and hope that China can move things along internationally on the climate change thing?

And when you look at what's being done in China, domestically, renewables, they're not skimping on their investment. They have their own carbon pricing mechanism in their economy, and it's been there for some time. So yeah, it is a huge factor in the big politics of the Pacific. And the existential threat is real in many countries, not all, of course. I mean, if you're in the highlands of PNG, it's not feeling very real. But in terms of the intensity of the natural disasters, everyone is feeling this in terms of the droughts that you're getting in PNG that you've never had in the past, used to be the most reliable place in the world. Now you have hunger in PNG. So yeah, it's the big elephant that no metropolitan power, with the possible exception of New Zealand, is addressing seriously enough.

Peter Clarke:

Within our democracy in Australia. AUKUS itself is being contested; it's not wholly accepted. There seems to be a lack of feasibility about the delivery of the nuclear submarines, which are one of the important planks of AUKUS. How is it perceived across the Pacific, and how do you see that playing into the equation?

Graeme Smith:

Yeah, no, China had very early on recognised the value of the nuclear angle for, shall we say, its message in the region. Now obviously, China has its own nuclear power plants, including one in Fujian that emits more tritium into the ocean than Fukushima emits into the ocean. But somehow they've avoided talking about that. But the nuclear dimension to the AUKUS, given that we are signatories to the non-proliferation agreement, we are not meant to have nuclear waste, does create huge headaches for us in the region, because it's an easy narrative to bang us over the head with, you're meant to be a non-nuclear state. What are you doing? You were there in Rarotonga, you signed onto this thing. Can we take you seriously anymore? So yeah, it does create narrative problems for Australia in the region.

Peter Clarke:

Graeme. It's a complex, crucial, and for me anyway, endlessly fascinating topic that we've been discussing today. Thank you so much for being with us on the Ear to Asia.

Graeme Smith:

A delight to be with you.

Peter Clarke:

Our guest was Associate Professor Graeme Smith from the Australian National University. Ear to Asia is brought to you by Asia Institute of the University of Melbourne, Australia. You can find more information about this and all our other episodes at the Asia Institute website. Be sure to keep up with every episode of Ear to Asia by following us on the Apple Podcasts app, Spotify, or wherever you get your podcasts. Please rate and review us, it helps new listeners find the show and put in a good word for us in your socials. This episode was recorded on the 29th of August 2023. Producers were Kelvin Param and Eric Van Bemmel of Profactual.com. I'm Peter Clarke, thanks for your company.