

# Strategic Analysis Paper

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## The South-West Pacific and Sino-US Competition

**Lindsay Hughes**

*Senior Research Analyst*

*Indo-Pacific Research Programme*

### Key Points

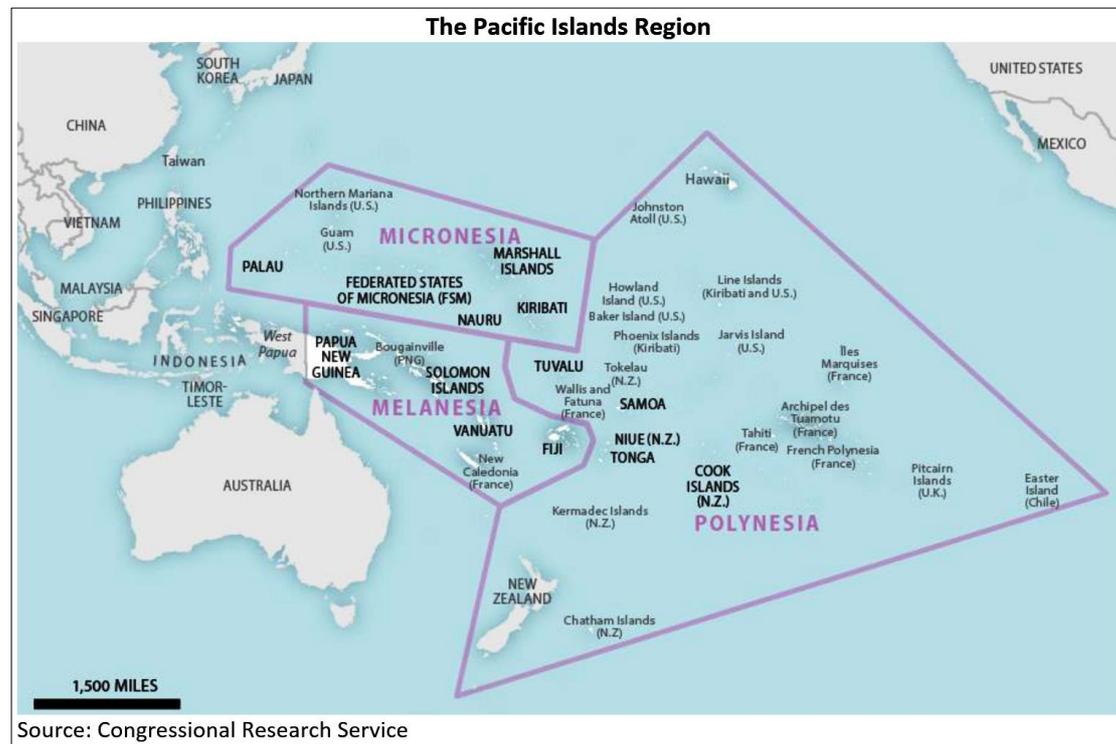
- The military and economic rise of China has seen tensions between Beijing, Washington and Canberra play out in the South-West Pacific region.
- China wishes to replace the United States in the South-West and Western Pacific.
- The influence in the region of the US and Australia derives in part from the Second World War.
- China's rise, coupled with the established influence of the US in the South-West Pacific, could see the region become yet another proxy battlefield in the two antagonists' power-plays.

### Summary

The economic rise of China, and later India, coupled with those of Japan, South Korea, Taiwan, Hong Kong, Singapore and the other Asian Tigers, saw the global centre of economic gravity shift from the West to the Indo-Pacific region. Despite the Chinese economy faltering in very recent times, the country has lifted around 600 million people out of poverty and [India](#) around 270 million. Other countries, including Cambodia and Bangladesh, have also seen their economies grow rapidly.

Despite that regional growth, the South-West Pacific countries have not enjoyed as much of it as others. The South-West Pacific region, which is commonly divided into the Melanesian, Micronesian and Polynesian sub-regions, comprises fourteen independent and freely

associated countries that, together, have a land mass that is approximately the same size as Spain. Their exclusive economic zones, on the other hand, spread over 7.7 million square miles of the ocean. It is that geographic spread, coupled with its various resources, which makes these island countries strategically important.



### Analysis

The islands themselves are geographically diverse, ranging from the low-lying atolls with their internal lagoons that signify the South-West Pacific in popular perception to the high volcanic-origin islands of Polynesia and Melanesia to the continental islands of Melanesia, which includes those of Papua New Guinea. The total [population](#) of the three sub-regions is around 11.9 million.

The current geopolitics of this region are a direct outcome of events that transpired during the Second World War. The war in the Pacific ensured that six allied countries – Australia, France, the Netherlands, New Zealand, the UK and the US – took control of the sub-regions. Australia recognised that Japan had used the islands as launch pads to attack it and the US sought to use them as bases from which it could launch attacks on Japan. In 1944, furthermore, Australia and New Zealand enacted the ANZAC Pact, by which they sought to institutionalise mechanisms by which they could organise the region. One of those mechanisms, the South Pacific Commission, sought to ensure the development of the entire region. The start of the Cold War saw the US endeavour to persuade Australia to make peace with Japan. That endeavour led to the formulation of the Australia-New Zealand-United States (ANZUS) Treaty in 1951, by which the US sought to allay Canberra’s fears about the Pacific islands. Article 5 of the ANZUS Treaty, therefore, noted that an attack on

any of the three parties' Pacific island territories would be deemed to be an attack on all three and would invite a combined response.

Colonisation and the use of the island countries as pawns saw them relegated to the role of bit players in the greater geopolitical game played by the superpowers throughout the Cold War. A classic example of how the welfare of the island countries was overridden by their colonial masters was that of the nuclear tests conducted by the United States, Great Britain and France in the region. Between 1960 and 1996, for example, France carried out 193 nuclear tests in French Polynesia. According to one [account](#), 'plutonium fallout hit the whole of French Polynesia' with Tahiti, the most populated island, being exposed to 500 times the maximum accepted levels of radiation, leading to 'high levels of thyroid cancers and leukaemia in Polynesia'.

The post-Cold War period saw the colonial powers further dissociate from the Pacific region. This came about because of the 9/11 attacks on New York and the overall focus on the Global War on Terror. The Pacific region, being far removed from those events, grew even more insignificant than before. The Bali attacks in October 2002 saw that region grow in importance security-wise in Australia's perception but the Pacific Island countries, in general, did not. The Bali attack had strong overtones of Islamism, a factor that is not generally associated with Melanesia, Micronesia or Polynesia. It is to be noted that Nauru, which uses the Australian dollar as its currency and sought to use its sovereignty for commercial purposes by creating a "Citizenship Investment Scheme", according to which an individual could obtain a Nauruan passport by sending US\$30,000 (\$42,700) to a specified bank in Hong Kong, saw its passports fall into the hands of drug- and people-smugglers, and eventually, [terrorists](#) in 2003. The Bush Administration in Washington DC then threatened Nauru with stringent sanctions if it did not terminate its citizenship scheme, demonstrating, once again, a willingness to use power to coerce, rather than working with another country to alleviate the conditions that forced it to go down a path that was unfavourable to the US.

That said, the South-West Pacific continues to have strong geostrategic significance for the US. The Pacific served as a vital logistical US hub during the Second World War, when the US fought against Imperial Japan. In its current competition with China, and fearing a trade war, an incipient Cold War 2.0 or even outright conflict, that significance has re-surfaced. The Pacific Island countries have the same voting power as, for instance, the US in international fora, including the United Nations General Assembly, which effectively means that the region's 11 million population could support or undermine Washington to the same extent that Beijing or Moscow could. Those countries also wield a disproportionate amount of influence in regard to fisheries and climate change since they are significantly affected by changes to both.

The US also has several security interests in the South-West Pacific. It has major military bases in Guam and the Commonwealth of the Northern Mariana Islands. It also has defence arrangements with the three so-called US Compact countries – the Federated States of Micronesia, the Marshall Islands and Palau. Several major air force and naval bases are located in Guam. US military forces train often in Micronesia. In Polynesia, the US possesses the territory of American Samoa and is responsible for its defence. In the current context of

the Sino-US antagonism, the US seeks to frustrate China in every way that it can, and Washington has also sought to stop those countries that seek to avail themselves of China's loans by acquiescing to Beijing's demand that they cease to recognise Taiwan as a sovereign country and treat it as a renegade Chinese province. Six Pacific island countries continue to have diplomatic relations with Taiwan: Kiribati, the Marshall Islands, Nauru, Palau, the Solomon Islands and Tuvalu. Washington attempts to ensure that these countries do not transfer that recognition to Beijing.

It is not only the US, however, that has cause to worry about China's presence in the region. In April 2018, the *Sydney Morning Herald* [reported](#) that Australian officials claimed that Chinese and Vanuatu officials had discussed the establishment of a Chinese military base in Vanuatu. The base was planned to be constructed at Luganville Wharf which, the report noted, had 'raised eyebrows in defence, intelligence and diplomatic circles' in Canberra because it could service naval vessels as well as the tourist ships that it was allegedly being built to cater to. The wharf is close to an airport that China is also upgrading. Both the Chinese and Vanuatu Governments denied that those discussions had taken place. As Vanuatu's Foreign Minister [put it](#): 'No one in the Vanuatu Government has ever talked about a Chinese military base in Vanuatu of any sort. We are just not interested in any sort of military base in our country.'

That statement would appear to foreshadow similar sentiments expressed by Cambodian Prime Minister Hun Sen, who was [reported](#) to have stated in March this year that he 'understands China very well', and that the Chinese Communist Party has no intention of 'taking over other nations', before adding:

I say this in front of the Chinese ambassador: Cambodia will never allow China to occupy it, but China also has no intention to occupy Cambodia. China's approach to foreign policy is that it doesn't want to control any countries. China only wants to develop friendships around the world.

Mr Hun Sen's statement, which was made subsequent to [reports](#) that China sought to construct a military base in southern Cambodia, would appear to have been of little consequence in the final analysis, since [another report](#), dated 22 July 2019, notes that a secret deal had been negotiated between Mr Hun Sen and the Chinese Communist Party that gave China exclusive access to the Ream naval base, near Sihanoukville. China, it would appear, seeks to increase its military presence across the region.

It is not only the Chinese efforts being made vis-à-vis its hard power projection capacity that has Canberra worried, however. In late 2016, the Solomon Islands Government entered into discussions with Chinese telecommunications company, Huawei, to lay an undersea cable linking the Solomon Islands with Australia. That was seen as an example of Beijing's "soft diplomacy" in the region. Seeking to block that effort, Canberra forced Huawei out of the contract altogether by agreeing to [absorb](#) two-thirds of the project cost, agreeing to spend \$91 million to lay the cable itself. Apart from the security risk that obtains from having any element of a telecommunications network created by a Chinese firm with very close links to the Chinese Communist Party, the United States and its allies, including Australia, fear that impoverished countries of the region are increasingly susceptible to the temptation to

accept financial loans from Beijing. Australia's initiative to lay undersea cables at its own expense can only be viewed, therefore, as part of a campaign by Canberra, Washington and their allies to reassert their influence in the Pacific region.

That effort appears to have paid dividends: other Pacific Island countries now seek to enter into similar agreements with the Australian Government. It must be borne in mind, however, that Canberra had also [declared](#) unequivocally that it would not permit any cable laid by Huawei from the Solomon Islands to be connected to the Australian network.

As is now evident, the United States and its allies, including Australia, appear to be closer to becoming embroiled in a situation that political scientist Graham Allison termed the "[Thucydides Trap](#)". According to Allison, that situation arises when an established power is confronted by one that is rising and seeks to replace it. Also according to Allison, in 75 per cent of the eighteen historical cases that he examined, the tensions generated by that circumstance led to outright conflict and war. Set in the current context, wherein the established power, the United States, appears to be beset by the rising power, China, globally, diplomatically and institutionally, it would follow that there is a 75 per cent chance that China's desire to become the global hegemon, despite its denials and statements to the contrary, when confronted with the reluctance of the US to surrender its position at the top of the international order, could lead to conflict. That conflict would likely play out primarily in the South China Sea but, by extension, possibly also in the South-Western Pacific Ocean. Were that to happen, the United States would need to rapidly construct and employ several more military bases in the region to supplement those that already exist relatively close to the Chinese mainland in order to prosecute any conflict away from home yet provide sufficient logistical and other support functions that would enable it to successfully prosecute such a war. It behoves Washington and its allies, therefore, to create as many regional linkages as they can to fulfil such a role but, in the first instance, to deter China from going down that path.

It is in that context that the South-West Pacific region, for too long neglected by the international community save as a peripheral entity, becomes prominent in the current environment. Until the current circumstances change drastically, moreover, it appears that the region is bound to remain important and, consequently, could one again become a battleground for extra-regional actors and, once again, an unwilling pawn in a larger power-play.

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Suite 5, 202 Hampden Road, Nedlands WA 6009, Australia.  
Tel: +61 8 6389 0211  
Web: [www.futuredirections.org.au](http://www.futuredirections.org.au)