

Strategic Analysis Paper

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China's Strategic Objectives and Ambitions in the South-West Pacific

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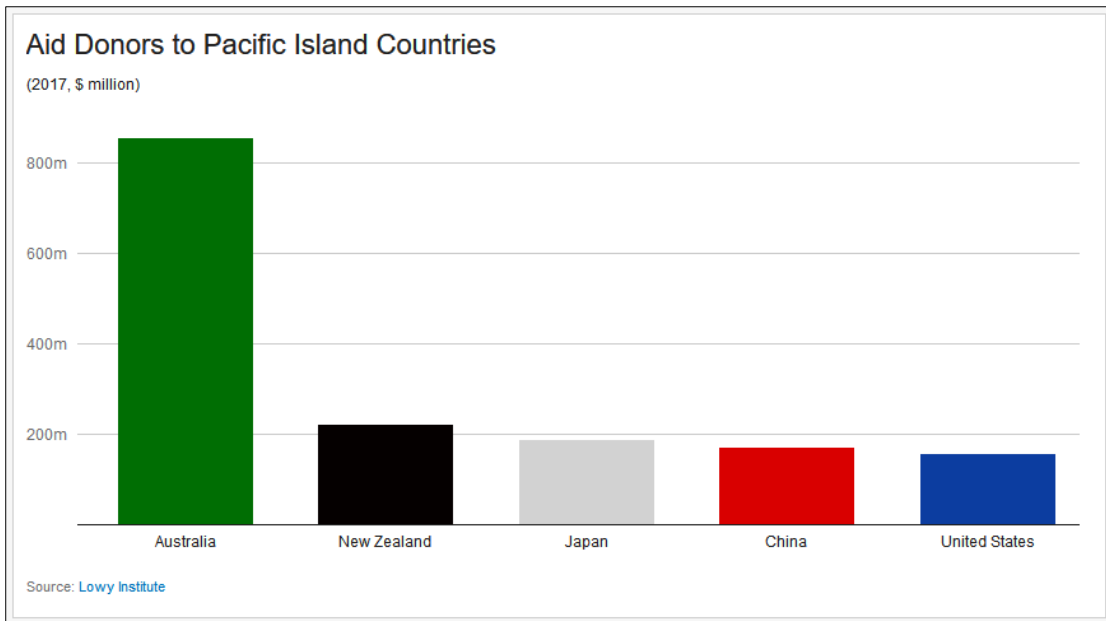
Key Points

- China's involvement in the South-West Pacific revolves around the three main objectives of securing its influence, increasing its access to resources and reducing the ability of the United States to constrain it geographically.
- The achievement of those objectives has been aided by the benign neglect of the region by Washington, the traditional dominant power.
- China is unlikely to conclude any formal alliance network with the Pacific Island countries due to the Chinese Communist Party's longstanding aversion to alliances and preference for bilateral arrangements.
- Australia and New Zealand will have to deal with increasing Chinese influence in their "backyards" in the foreseeable future.
- Even if China does not establish a physical military presence in the South-West Pacific, its growing economic and diplomatic influence will serve to undercut US influence in the region.

Summary

Against the backdrop of a resurgence in great power politics, the United States and its regional allies have struggled to retain influence in the South-West Pacific, as discussed in a previous [FDI Strategic Analysis Paper](#). For Beijing, however, the South-West Pacific countries and territories of Papua New Guinea, Solomon Islands, Vanuatu, Fiji, New Caledonia, Samoa, Tonga, Nauru and Kiribati offer new opportunities for China to enhance its international

standing. Indeed, despite being a relative newcomer to the Pacific, China has quickly become the region’s fourth-largest aid donor, providing just over \$171 million worth of aid to the Pacific Island Countries (PICs) in 2017. While still far behind the \$855 million given by Australia, it could be argued that Beijing’s aid programme is just as, if not more, effective, given China’s rapidly-growing clout in the region.



China has a key and, in the eyes of the Chinese Communist Party (CCP), legitimate reason to focus its efforts in the South-West Pacific: to break out from Washington’s efforts to contain China’s influence and displace the United States as the dominant Pacific power.

Analysis

The rise of China as a peer competitor to the United States is the most far-reaching geopolitical development event of the early Twenty-First Century. Although Beijing has vested interests in such varied and geopolitically strategic locations as the South China Sea, Africa, the Persian Gulf, the Indian Ocean, the Arctic and Central Asia, the emerging Sino-US competition has seen Beijing intensify its efforts to gain ground in a region traditionally regarded by Canberra as Australia’s “backyard”. The largely overlooked South-West Pacific region has seen the emergence of a power vacuum, due, in part, to a combination of benign neglect by the US, Australia and New Zealand, and its perceived international irrelevance on the global stage. China’s arrival in PIC political affairs has spooked Washington and its partners into increasing the attention they give to the region. Yet, despite the warnings from Australia, Japan, Taiwan and the US of the potential risks in the CCP’s so-called “debt trap” diplomacy, Papua New Guinea, Nauru, Kiribati and Vanuatu, in particular, see value in using China as a counterweight to the United States; tapping into Beijing’s sheer geopolitical and economic heft gives the PICs a useful vehicle with which to make Washington aware of their discontent.



Securing Partners and Influence

Surrounded by other powers attempting to balance each other, China, geopolitically speaking, is located in a somewhat difficult neighbourhood. Although China is, apart from the United States and a resurgent Russia, the most powerful entity in the Indo-Pacific, Beijing’s influence is still somewhat precarious. The Asian giant is a neighbour to two of the most dangerous flashpoints in the world: Kashmir and North Korea and Taiwan. With the exception of Taiwan and the South China Sea, Beijing has often played the role of neutral mediator in the global arena. China’s overly cautious and skittish foreign policy is born out of acting as an “observer” during international events ranging from the Soviet invasion of Afghanistan in 1979 (notwithstanding the limited presence there of [PLA operatives](#)), to the US “War on Terror” in 2001. By learning from the mistakes of both the former Soviet Union and the United States, the CCP concluded that direct involvement in the domestic affairs of foreign states does not serve China’s national interests. This policy of “[non-interference](#)” (albeit one that is slowly changing to more selective involvement), is given credence by the implications of these flashpoints – one of which provides a potential excuse for the US to deploy more troops in the region – and the potential damage to China’s regional security that may ensue.

It is little surprise that Beijing has now turned its attention towards the South Pacific. Geographically, the PICs are located far away from both the political squabbles of the South China Sea and traditional centres of power. Apart from Australia, New Zealand and (in some cases) Taiwan, the PICs have traditionally commanded very little international political attention, but the recent [debacle](#) with Australia at the 2019 Pacific Islands Forum (PIF) gave Beijing greater ability to position itself as the “security guarantor” of the PICs against climate change. Economically, until relatively recently, the PICs have seen little of the large-scale

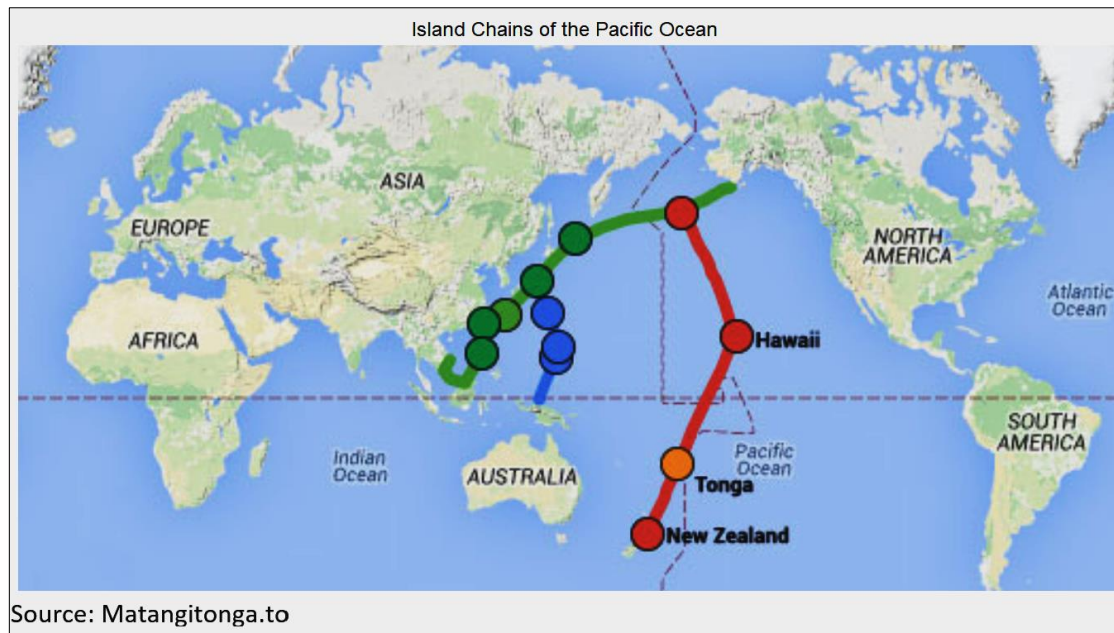
investments that have been made elsewhere by China. To date, Chinese investments have largely taken the form of funding for government buildings or public facilities, often poorly designed and constructed, and using a predominantly Chinese, rather than local, labour force: the courthouse, police headquarters and national stadium in the Cook Islands capital, [Avarua](#), for instance, are not atypical examples. Economically, as well as politically, the region presents a case of essentially out of sight, out of mind.

For China, winning the hearts and minds of the PICs is a “win-win” situation, as it helps to increase its influence in the South-West Pacific at the expense of Taiwan (and Washington), while raising the prospect of the economic and financial gain that the PICs could achieve through [access](#) to one of the world’s largest consumer markets; in the case of [Samoa](#), the country could become part of the wider Belt and Road Initiative (BRI). Increased Chinese influence among the PICs also puts indirect pressure on Taiwan. Indeed, the recent switch of allegiance by both the [Solomon Islands and Kiribati](#) highlights how quickly Beijing has moved to secure its interests the region. Although the PICs run a risk in dealing with China, so far, the fear of the “debt trap” has been largely [exaggerated](#), at least as far as the PICs themselves are concerned. For those states, Beijing’s “non-interference” policy can often be a welcome contrast to the perceived lectures, reprimands and conditions placed on aid by Australia and the US.

Nonetheless, despite the talk of a potential “alliance” between China and the PICs, it is unlikely that Beijing will commit to such an arrangement. After all, China has traditionally been reluctant to enter into alliances due to past experience with the Soviets and the CCP’s current [headache](#) with North Korea. It is accurate to state that China, in a transactional approach much like that taken by the current White House, prefers the flexibility of close economic and security partnerships with the PICs that may be achieved through bilateral agreements.

Breaking out of the Island Chains Conundrum

Despite the claims of benign Chinese involvement, Washington and Canberra have every right to be sceptical about China’s longer-term intentions. While on paper, Beijing is merely contributing humanitarian aid and assistance to a developing part of the international community, in the eyes of the United States, China’s rapid build-up of soft power in the region signals further attempts to break out of its “[island chains conundrum](#)”. It is true that China is currently securing the first island chain through military means and is attempting to do the same with the second. Under the nationalistic leadership of Xi Jinping, securing the island chains is an essential objective, on par with keeping open the Malacca Strait chokepoint. If China is successful in its military build-up in the island chains, it will increase Beijing’s maritime strategic reach and enable a blue-water People’s Liberation Army Navy (PLAN) to project force well beyond China’s traditional maritime boundaries.



Allegations of a proposed naval base in [Vanuatu](#) and China's failed bid to fund the Fijian military naval base in the port city of [Nadi](#), have heightened US and Australian insecurities over the nature of China's aid to the region. Those insecurities have been compounded by the recent proposal for the People's Liberation Army to provide military assistance and training to the Solomon Islands [military](#), which quickly came to fruition with the – since vetoed – [leasing of Tulagi Island](#) to the China Sam Group firm on 17 October 2019. While purportedly an investment in the development of an oil and gas refinery, Canberra and Washington feared that Tulagi could also have served a [dual-use purpose for military objectives](#). Granted, the details of the Tulagi deal were relatively vague and the Solomon Islands Government [rejected the deal](#), but if China does eventually build a [naval base](#) in one of the Pacific Island states, even a small military wharf would suffice to give Beijing significant military and geopolitical leverage over Australia and the US. It certainly gives rise to fears that China's infrastructure developments in the region may be mirroring those of the [South China Sea](#), no matter how much Beijing claims that they are solely for peaceful, civilian purposes.

The PLAN has [grown exponentially](#) in terms of platforms, training and capabilities over the past two decades of modernisation. While it still lags behind the US Navy overall, the PLAN is not yet burdened by military overreach; neither is it vulnerable to the [Loss of Strength Gradient](#) (LSG) as the US is. In the near future, the PLAN will have between [three to six](#) aircraft carriers, [three](#) landing helicopter docks (LHDs) and a [plethora](#) of unmanned underwater vehicles (UUVs). If Chinese nuclear ballistic submarines (SSBNs) such as the *Jin*-class or the upcoming *Tang*-class were allowed, or able, to access these hypothetical facilities, their JL-2 and JL-3 Submarine Launched Ballistic Missiles (SLBMs) would have the range to target not only Hawaii and Guam, but also the entirety of the continental United States.

Accessing Natural Resources

Another reason why Beijing has recently increased its efforts to bring the PICs closer to its orbit is access to resources. Long thought to be low in natural resources, technological advances in deep-sea mining are giving the PICs access to ample quantities of rare-earth minerals and other forms of metalloids located in their Exclusive Economic Zones (EEZs). [Polymetallic nodules](#) are found in the waters of the Cook Islands and Kiribati, while cobalt deposits exist in Kiribati and, further afield, in Micronesia, the Marshall Islands and French Polynesia. This is not counting the vast deposits of gold, hydrocarbons and nickel ore found in [Papua New Guinea](#).

Whereas Australia, Japan, New Zealand and the United States are focussed on countering China's influence through economic investments and humanitarian aid, they are, however, overlooking Beijing's ambition to acquire the rights to, or, at the very least, to partner with the governments of the PICs to help develop their mining capabilities. In the case of Japan, the rare-earth minerals of the PICs could supplement [its](#) own subsea rare-earth deposits. The PICs lack both the economic and technological capabilities to undertake deep-sea mining, while China has the funds and technological knowhow to assist the PICs in developing and building these [critical infrastructures](#). The now-scuttled leasing of Tulagi Island focussed primarily on the oil and gas terminals that may become useful given the under-reported presence of hydrocarbon deposits in the [Shortland Basin](#). For the PICs, diversifying their economies away from basic foodstuffs is definitely in their national interests. In the case of Beijing, having deep trade connections with the PICs giving access to these resources would contribute to making China less dependent on the natural resources coming from the Middle East and Africa. That is not to say that the Pacific Islands would completely replace those regions, of course, but it would reduce the harmful effects of any potential disruptions to China's imports of raw materials, at least until it perfects its fracking capabilities with its [31.6 trillion cubic metres of shale gas reserves](#) and becomes energy-independent. As such, the interests of the Pacific Islands and China align quite well in this regard.

Challenges to China's Ambitions

In spite of the diplomatic successes that it has thus far enjoyed in the South Pacific, it is not the case that China will face zero challenges to its goals in the region. Beijing has to contend with the reality that, while the majority of the PICs may enter into bilateral agreements with it, certain states such as the Marshall Islands, Palau, Niue, the Cook Islands, French Polynesia and New Caledonia continue to have close links with the United States, New Zealand and France. With the possible exception of Micronesia, it is highly unlikely that Beijing will be able to convince these territories to move further into its orbit, given the longstanding political, economic and cultural ties between the island territories and their respective metropolitan states. Furthermore, if China does indeed pursue the construction of a naval facility in the South-West Pacific, however rudimentary, it may spur something of a Pacific arms race with the United States and France and increase the risk of a naval confrontation on Australia's doorstep.

Moreover, China now has to contend with India's [increasing interests](#) in the South Pacific and the region's integration into Modi's "Act East" policy. Granted, New Delhi is still far more preoccupied with the Indian Ocean and the ASEAN countries, but if India does accelerate its active involvement in the South Pacific, it is not likely to be welcomed by Beijing. Like China, India is also a relative newcomer in the region, with none of the baggage that plagues Australian and US relations with the PICs. India's potential involvement, combined with similar efforts by [Japan](#), and in concert with the US, Australia, New Zealand and France, could prevent China from fully dominating the South-West Pacific.

Into the Future

Due to the multiple geopolitical distractions that are commanding Washington's attention, there is an increasing chance that the PICs will move closer to Beijing's sphere of influence. With the potentially strategic error of the Trump Administration's decision to [abandon its Kurdish allies](#) in Syria, the damage done to Washington's reputation as the "reliable leader of the free world" may have reverberating effects on a long-term, global scale. Indeed, if the White House is able to so easily betray its allies in the Middle East, will it be able to convince the PICs that it will stand by them, particularly when it comes to other longer-term – yet potentially existential – threats, such as climate change and rising sea levels?

Beijing's influence in the South-West Pacific will continue to grow, largely unchallenged, into the near future. Whether the CCP will militarise the area remains to be seen, and will largely depend on whether Xi Jinping (or a possible successor) might want to thrust a hitherto ignored region into the spotlight of international affairs. In addition to a deeper and more meaningful US presence, another possible obstacle to China's Pacific ambitions may be India, if it steps up its involvement in the region. While that is likely to be welcomed by Canberra, Wellington and Washington, the level of India's involvement will depend on its economy being able to sustain the additional costs that a greater Pacific presence may entail. Over the coming decade, Australia and New Zealand will have to deal with the reality of China enjoying a greater degree of influence in much closer proximity than has previously been the case. How Canberra and Wellington manage their relationships with Beijing, Washington and the PICs in the years ahead, will, in many instances, be shaped by the scale and scope of China's presence in the South-West Pacific, and how beneficial, or disruptive, that presence is perceived to be.

Any opinions or views expressed in this paper are those of the individual author, unless stated to be those of Future Directions International.

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