

# China's Gambit in the Pacific

## Implications for the United States and Its Allies and Partners

Derek Grossman

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*China's Gambit in the Pacific: Implications for the United States and Its Allies and Partners*

Testimony of Derek Grossman<sup>1</sup>  
The RAND Corporation<sup>2</sup>

Before the U.S.-China Economic and Security Review Commission

August 3, 2022

In the first half of 2022, China made clear the scale and scope of its geostrategic ambitions in the Pacific Islands region. The first indication came in March when a secret draft security agreement between China and Solomon Islands leaked to the public. The draft deal authorized Chinese warships to make routine port visits and for Beijing's security forces to train and assist local law enforcement in Solomon Islands.<sup>3</sup> Despite regional concerns, Beijing and Honiara signed the agreement in April.<sup>4</sup> Then, in late May, Chinese Foreign Minister Wang Yi embarked on an eight-nation ten-day tour of the South Pacific visiting Solomon Islands, Kiribati, Samoa, Fiji, Tonga, Vanuatu, Papua New Guinea, and Timor-Leste. His mission was to convince Pacific Island nations to participate in a new sweeping set of multilateral development and security deals, which Beijing called the "China-Pacific Island Countries Common Development Vision."<sup>5</sup> In the end, Pacific Island states rebuffed Chinese overtures. Beijing's partial success

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<sup>3</sup> Damien Cave, "China and Solomon Islands Draft Secret Security Pact, Raising Alarm in the Pacific," *New York Times*, March 24, 2022.

<sup>4</sup> Michael E. Miller and Frances Vinall, "China Signs Security Deal with Solomon Islands, Alarming Neighbors," *Washington Post*, April 20, 2022.

<sup>5</sup> "China-Pacific Island Countries Common Development Vision," leaked draft, ABC News (Australian Broadcasting Corporation), undated, <https://www.documentcloud.org/documents/22037011-china-pacific-island-countries-common-development-vision>.

with Solomon Islands, however, and expected successes with other countries, such as Kiribati, and perhaps future multilateral deals are good reasons for concern among traditional regional powers, including the United States, Australia, and New Zealand. That said, Beijing also faces immense challenges toward achieving diplomatic, economic, or security parity with such regional powers, let alone primacy, in the Pacific; thus, context is important to avoid inflating threat perceptions.

Relying on an evidence-based approach, this testimony seeks to describe and analyze the evolving geostrategic dynamics between China, the Pacific Island countries, and the United States and its allies and partners. First, I provide a baseline of what we know about China's gambit in the Pacific, including its strategic goals and approach to the region. Next, I discuss how Pacific Island states are responding to having China in their region as a new, permanent power. Leveraging this analysis, I then examine implications for U.S. strategy not only in Oceania but also throughout the Indo-Pacific region, with a particular emphasis on U.S. allies and partners. Finally, I recommend to Congress several steps going forward that should improve the United States' profile in the region, particularly as China continues to try to enhance its own.

## China's Strategic Goals and Approach

According to Beijing's official worldview, the Pacific Islands are part of China's "periphery" [*zhoubian*], or neighboring region.<sup>6</sup> Beijing for decades had virtually ignored this part of the world, despite its close proximity to the Chinese mainland, in favor of focusing on "major powers," such as the United States and Russia, as well as countries that share borders with China and other parts of the developing world, such as Africa. In recent years, however, Chinese attention has increasingly included Oceania, probably in no small part because of China's growing economic and military power and interests. Indeed, Chinese President Xi Jinping in 2015 referred to the South Pacific as the "southern leg" of the "Maritime Silk Road," which would eventually become part of the modern-day global investment and infrastructure program, known as Belt and Road Initiative (BRI), and his signature economic program.<sup>7</sup>

Although mainstream interest in China's strategy toward the Pacific has been growing in recent years, Western and Chinese scholarship on the subject remains thin compared with other regions, making it more difficult to discern the true nature of Beijing's objectives there. Nevertheless, the available scholarly literature generally coalesces around China pursuing three interrelated objectives in the Pacific (not necessarily in rank order): (1) eliminating Taiwan's

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<sup>6</sup> Timothy R. Heath, Derek Grossman, and Asha Clark, *China's Quest for Global Primacy: An Analysis of Chinese International and Defense Strategies to Outcompete the United States*, Santa Monica, Calif.: RAND Corporation, 2021, p. 40, [https://www.rand.org/pubs/research\\_reports/RRA447-1.html](https://www.rand.org/pubs/research_reports/RRA447-1.html)

<sup>7</sup> National Development and Reform Commission, "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road," Ministry of Foreign Affairs and Ministry of Commerce, People's Republic of China, 2015.

diplomatic space, (2) accessing natural resources and generating economic activity, and (3) breaking through the U.S. military's domination of the second island chain.<sup>8</sup> Differences among experts, whether Western or Chinese, usually stem from emphasizing one driver over another, but the debate is simply a matter of degree: Most, if not all, researchers recognize that China's Pacific strategy is the product of these three factors.

Regarding China's goal to eliminate Taiwan's diplomatic space, Oceania is home to four of Taipei's remaining 14 official diplomatic partners worldwide: Marshall Islands, Nauru, Palau, and Tuvalu. Notably, two Pacific Island countries—Solomon Islands and Kiribati—switched their diplomatic recognition in 2019 from Taiwan to China, underscoring how quickly Taipei can lose diplomatic ground to Beijing in this contested region. As part of a study on the Freely Associated States (FAS, which consists of Marshall Islands, Micronesia, and Palau) and Chinese influence that I conducted with RAND colleagues in 2018, we found that Beijing was leveraging both carrots and sticks to induce shifts in diplomatic recognition among Taiwan's remaining partners.<sup>9</sup> For example, with Palau, Chinese tourism ramped up for years until, suddenly in November 2017, Beijing barred tourists from traveling to this pristine vacation spot. It appears that Beijing's move was in retaliation for Palau's refusal to switch diplomatic recognition.<sup>10</sup> Meanwhile, Beijing for years has been offering economic incentives—such as lowering import taxes for Marshallese-flagged shipping into Chinese harbors—in exchange for official ties with China.<sup>11</sup> This was a significant incentive because, at the time of our research, Marshall Islands

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<sup>8</sup> The U.S.-China Economic and Security Review Commission's own report states that "Beijing's heightened engagement in the region in recent years is driven by its broader diplomatic and strategic interests, reducing Taiwan's international space, and gaining access to raw materials and natural resources" (Ethan Meick, Michelle Ker, and Han May Chan, *China's Engagement in the Pacific Islands: Implications for the United States*, Washington, D.C.: U.S.-China Economic and Security Review Commission, June 14, 2018, p. 1. One recent study of interest surveys and interviews 39 Chinese scholars on Beijing's top goals in the Pacific. It found that pursuing Chinese economic interests were paramount, although reducing Taiwan's diplomatic space was also important. For more, see Denghua Zhang, "China's Motives, Influence, and Prospects in Pacific Island Countries: Views of Chinese Scholars," *International Relations of the Asia-Pacific*, September 17, 2021. Another study places more emphasis on the economic aspects of China's strategy in the Pacific, see Jenny Hayward-Jones, "Big Enough for All of Us: Geo-Strategic Competition in the Pacific Islands," Lowy Institute, May 16, 2013. A separate study argues that Beijing's economic agenda in the Pacific is helping China to carve out a new "sphere of influence" meant to challenge the United States' and Australia's current spheres (Yu Lei and Sophia Sui, "S. China-Pacific Island Countries Strategic Partnership: China's Strategy to Reshape the Regional Order," *East Asia*, Vol. 39, March 2022, pp. 81–96. Other experts have emphasized the geostrategic implications of China's approach to the Pacific. See, for example, Jonathan Pryke, "The Risks of China's Ambitions in the South Pacific," Brookings Institution, July 20, 2020, and Terence Wesley-Smith and Graeme Smith, *The China Alternative: Changing Regional Order in the Pacific Islands*, Canberra: Australian National University Press, 2021.

<sup>9</sup> Derek Grossman, Michael S. Chase, Gerard Finin, Wallace Gregson, Jeffrey W. Hornung, Logan Ma, Jordan R. Reimer, and Alice Shih, *America's Pacific Island Allies: The Freely Associated States and Chinese Influence*, Santa Monica, Calif.: RAND Corporation, 2019, [https://www.rand.org/pubs/research\\_reports/RR2973.html](https://www.rand.org/pubs/research_reports/RR2973.html).

<sup>10</sup> Grossman et al., 2019, pp. 41–42.

<sup>11</sup> Grossman et al., 2019, p. 40.

was the third-largest ship registry. Two other countries at the top of ship-registry rankings, Panama and Liberia, both switched diplomatic recognition from Taiwan to China and received the same benefit.

China also wants to access natural resources in the Pacific. Most significantly, as fisheries dwindle in the nearby South China Sea from a combination of coral reef destruction for artificial island construction, overfishing, pollution, and climate change, Beijing has sought to make up losses farther afield.<sup>12</sup> According to a report published this year, Beijing's *distant-water fishing fleet*, defined as ships fishing outside of internationally recognized exclusive economic zones (EEZs), numbered 2,701 ships in 2020, easily making it the world's largest.<sup>13</sup> The problem is that in order to satisfy the tastes of China's burgeoning middle class, Beijing—without respect for international commercial and environmental standards—incentivizes fleets to haul in as much seafood as possible (tuna and sea cucumbers, in particular), resulting in massive numbers of illegal, unreported, and unregulated (IUU) fishing incidents. According to the study, from 2015 to 2019, Beijing's fleets committed the most incidents of IUU fishing on the high seas, and the locations of the second- and third-most frequent Chinese IUU fishing incidents were in the Western and Central Pacific and South Pacific, respectively.<sup>14</sup> These regions are home to the Pacific Island countries. For example, in December 2020, Palau, with the assistance of the U.S. Coast Guard, discovered and deported 28 Chinese fishermen poaching sea creatures within its EEZ.<sup>15</sup> Chinese fishing trawlers have also depleted tuna stocks in the South Pacific around American Samoa.<sup>16</sup> They have even been spotted as far east as the Galapagos Islands.<sup>17</sup>

Besides finding additional fishery stocks to tap, China is a huge proponent of deep-sea mining access to hunt for important metals, such as nickel, cobalt, copper, and manganese.<sup>18</sup> Beijing also mines land resources. Excluding Australia and New Zealand, Pacific Island nations

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<sup>12</sup> U. Rashid Samaila, William W. L. Cheung, Louise S. L. Teh, Ashley H. Y. Bang, Tim Cashion, Zeyu Zeng, Juan Jose Alva, Sophia Ie Clue, and Yvonne Sadovy de Mitcheson, *Sink or Swin: The Future of Fisheries in the East and South China Seas*, Hong Kong: ADM Capital Foundation, 2021.

<sup>13</sup> Environmental Justice Foundation, *The Ever-Widening Net: Mapping the Scale, Nature and Corporate Structures of Illegal, Unreported and Unregulated Fishing by the Chinese Distant-Water Fleet*, London, United Kingdom, March 2022, p. 11.

<sup>14</sup> Environmental Justice Foundation, 2022, p. 25.

<sup>15</sup> Adam Somers, "Chinese Fishing Boat Stripped and Escorted Out of Palau," *Island Times*, January 5, 2021.

<sup>16</sup> Dan Southerland, "Chinese Overfishing in the South Pacific Devastates Some Islands' Livelihoods," Radio Free Asia, April 6, 2021.

<sup>17</sup> Jaime Moreno, "China's Fishing Fleet Threatens the Galapagos Islands," Voice of America, November 3, 2021.

<sup>18</sup> Denghua Zhang, "China Looking Under the Sea for Opportunities in the Pacific," *East Asia Forum*, June 30, 2018.

generally do not have much land mass. However, Beijing for years has been exploiting gold and nickel mines, liquefied natural gas, and timber in Papua New Guinea.<sup>19</sup>

Finally, on the military objective of breaking through the second island chain, Beijing seeks to weaken U.S. partnerships in the Pacific that affords the United States military advantages that could be leveraged against China during a Taiwan, South or East China Sea, or even Korea scenario.<sup>20</sup> When RAND researchers analyzed Chinese primary source literature on this subject in 2018, the record was scant, probably because Beijing had not been giving the Pacific Islands region much attention; it will be interesting to see whether this changes over time. Nonetheless, there are several examples worth noting here. One Chinese scholar, Qi Huaigao of Fudan University, outlined in 2014 how a school of contemporary Chinese foreign policy thinking viewed the development of ties in the Pacific as necessary to achieve “maritime breakthroughs” past encircling external powers.<sup>21</sup> Another Chinese expert, Zhang Ying of Beijing Foreign Studies University, wrote in 2016 that the “South Pacific region . . . hinders China’s expansion into the deep sea.”<sup>22</sup> And Xu Xiujun, a scholar at the Chinese Academy of Social Sciences, concurred with Zhang’s assessment. Xu added in 2014 that U.S. military presence in the region will very likely play a key role in U.S. efforts to contain China.<sup>23</sup>

Beyond the literature, Beijing has engaged in behavior throughout the region that could eventually support the objective to puncture the second island chain. Most notably, as discussed above, in April, China signed a security agreement with Solomon Islands to allow regular visits of Chinese navy ships and training of local law enforcement. Traditional regional powers are concerned that Beijing might eventually leverage these activities to establish a permanent base in the region. Meanwhile, Beijing is assisting Kiribati to upgrade its airstrip on Canton Island, which is located just 1,500 miles off the coast of Hawaii. Tarawa claims the renovation will support tourism, but Washington believes it could be a future Chinese airbase.<sup>24</sup> In 2018, China reportedly was helping Vanuatu build a potentially dual-use wharf on Santo Island. At first, the

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<sup>19</sup> Meick, Ker, and Chan, 2018, p. 7.

<sup>20</sup> For an assessment of Chinese conceptions of the second island chain, see Andrew S. Erickson and Joel Wuthnow, “Barriers, Springboards and Benchmarks: China Conceptualizes the Pacific ‘Island Chains,’” *China Quarterly*, No. 225, March 2016, pp. 1–22.

<sup>21</sup> Qi Huaigao [祁怀高], “Thoughts on the Top Design of Periphery Diplomacy” [“关于周边外交顶层设计的思考”], *Journal of International Relations* [国际关系研究], No. 4, 2014, p. 15.

<sup>22</sup> Zhang Ying [张颖], “China’s Strategic Choice in the South Pacific: Perspectives, Motivations and Paths” [“中国在南太平洋地区的战略选择:视角、动因与路径”], *Contemporary World and Socialism*, No. 6, 2016, p. 132.

<sup>23</sup> Xu Xiujun [徐秀军], “The Diplomatic Strategy of China to Develop the Relations with the South Pacific Region” [“中国发展南太平洋地区关系的外交战略”], *Pacific Journal* [太平洋学报], Vol. 22, No. 11, November 2014, p. 21.

<sup>24</sup> Jonathan Barrett, “Kiribati Says China-Backed Pacific Airstrip Project for Civilian Use,” Reuters, May 13, 2021.

Vanuatans dismissed concerns, but eventually they decided to end the project.<sup>25</sup> Broadly, China is adding defense attachés throughout the Pacific Island countries—of which only three (Fiji, Papua New Guinea, and Tonga) have militaries (excluding Australia and New Zealand)—and is offering to train security officials, perhaps further enabling an operating presence in the region in the years to come.<sup>26</sup>

China seeks to achieve its three top objectives in the Pacific by leading with the least controversial and most attractive agenda to Pacific Island states. Then, over time, and as Pacific Island nations' trust in Beijing grows, it can leverage noncontroversial cooperation for more-sensitive benefits, such as accessing their EEZs for fishing, switching diplomatic allegiance from Taiwan to China, and establishing a military foothold in the region. As evidenced by the leaked China-Pacific Island Countries Common Vision Plan that Chinese Foreign Minister Wang brought to the region in late May for concurrence, Beijing seeks to boost economic, pandemic-related, people-to-people, and climate change cooperation, among other initiatives.<sup>27</sup>

Simultaneously, Beijing very likely employs information operations to control the narrative, such as by denigrating American, Australian, Japanese, Taiwanese, and perhaps New Zealander contributions to the Pacific and suggesting greater “win-win” or mutually beneficial Chinese involvement in the region with “no strings attached.” Beijing has even shown a willingness to block unfavorable media coverage from within Pacific Island states, as it did during Foreign Minister Wang's visit there.<sup>28</sup> China also probably bribes government officials and entities at all levels and contributes to political activities that reinforce its narrative. Micronesian President David Panuelo outlined a new area of potential concern—China's goal of dominating regional communications infrastructure—in his unprecedented and blistering warning letter of May 20, 2022, to Pacific Island leaders, prior to the Pacific Islands Forum (PIF), the premier multilateral regional venue, which held its annual summit in July. He noted that “the Common Development Vision seeks Chinese control and ownership of our communications infrastructure . . . for the purpose of . . . mass surveillance of those residing in, entering, and leaving our islands, ostensibly to occur in part through cybersecurity partnership.”<sup>29</sup> If his interpretation is accurate, Beijing seeks some level of control over Pacific Islanders' daily activities.

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<sup>25</sup> Ben Bohane, “South Pacific Nations Shrug Off Worries on China's Influence,” *New York Times*, June 13, 2018.

<sup>26</sup> Denghua Zhang, “China's Military Engagement with Pacific Island Countries,” *Asia and the Pacific Policy Society*, August 17, 2020.

<sup>27</sup> ABC News, undated. Also, see Wang Yi's official statement on the plan at “Wang Yi: The Comprehensive Strategic Partnership Between China and Pacific Island Countries Will Surely Achieve Steady and Sustained Growth,” Ministry of Foreign Affairs of the People's Republic of China, May 30, 2022.

<sup>28</sup> Edwina Seselja and Joshua Boscaini, “China's Visit to Pacific Highlights Growing Threat to Journalism in the Region,” ABC News, June 1, 2022.

<sup>29</sup> David W. Panuelo, “Letter to Pacific Island Leaders,” Palikir, Pohnpei, Federated States of Micronesia, May 20, 2022, p. 4, <https://s3.documentcloud.org/documents/22039750/letter-from-h-e-david-w-panuelo-to-pacific-island-leaders-may-20-2022-signed.pdf>.

## Pacific Island Nation Responses

Pacific Island countries have been responding to China's strategy, and the returns, on the whole, have not been encouraging for Beijing.

On its first objective, to eliminate Taiwan's diplomatic space in Oceania, China certainly made notable progress in 2019 with the Solomon Islands and Kiribati's shifts in diplomatic recognition. However, the remaining four Pacific Island nations that recognize Taipei over Beijing—Marshall Islands, Nauru, Palau, and Tuvalu—are seemingly dug in for the long term thanks to a combination of shared history and their love for democracy over authoritarianism. Palau's president, Surangel Whipps, for instance, argued on the PIF summit sidelines last month that "there's a lot of pressure on Palau. . . . what we've told them [China] is that we don't have any enemies—so we shouldn't have to choose. If you want to have relations with Palau, you're welcome. But you cannot tell us that we cannot have relations with Taiwan."<sup>30</sup> Meanwhile, in June, Tuvalu withdrew from a United Nations Ocean Conference because China blocked Taiwan's participation.<sup>31</sup> When the Marshallese president, David Kabua, visited Taipei in March, he extolled Marshall Islands-Taiwan relations as a "unique alliance," adding that "Taiwan is a shining example of a vibrant and peaceful progressive nation. It is time for Taiwan to take its rightful place as an equal member of the family of nations."<sup>32</sup> Nauru has also consistently supported Taiwan: In 2019, President Lionel Aingimea described their hearts as being "linked as one."<sup>33</sup>

China has a more mixed record on achieving its second objective, which is to extract natural resources from the Pacific. In this area, Beijing has certainly achieved success in mining on Papua New Guinea, but the region remains wary of Chinese intentions at sea. In regard to fishing, Micronesian President Panuelo's letter ahead of the PIF summit warned members that the Common Development Vision "seeks Chinese economic control of our collective fisheries and extractive resource sectors," and his warning may have contributed to most of the PIF foreign ministers rebuking the deal. Beijing may have scored a victory, however, when Foreign Minister Wang visited Kiribati and the two nations apparently signed a secret fisheries deal.<sup>34</sup> In November 2021, Tarawa decided to de-register the Phoenix Islands Protected Area (PIPA)—the

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<sup>30</sup> Fumi Matsumoto, "Palau Maintains Taiwan Ties Despite Chinese Pressure," *Nikkei Asia*, July 13, 2022.

<sup>31</sup> Lucy Craymer, "Tuvalu Minister Pulls Out of U.N. Ocean Conference After China Blocks Its Taiwanese Delegates," *Reuters*, June 27, 2022.

<sup>32</sup> Ben Blanchard and Robert Birsell, "Marshall Islands Says 'Strongly Committed' to Taiwan Ties," *Reuters*, March 22, 2022.

<sup>33</sup> Ben Blanchard and Simon Cameron-Moore, "Hearts 'Linked as One' as Taiwan Welcomes Tiny Nauru Amid China Tussle," *Reuters*, December 12, 2019.

<sup>34</sup> I have heard about the China-Kiribati deal only anecdotally. For a more general discussion on their bilateral agreements, see "Kiribati Signs Multiple Deals to Work More Closely with China, Govt Says," *Radio New Zealand*, May 30, 2022.

world’s largest marine preserve—as a World Heritage site, allowing it to sell fishing licenses to foreign nations.<sup>35</sup> The concern is that Kiribati may have given China exclusive tuna fishing rights to PIPA. On deep-sea mining, several Pacific Island countries, such as the Cook Islands, Nauru, and Tonga, are preparing to issue licenses to explore the ocean floor within their EEZs, and this might be sufficient for Beijing over the short term, but others, including Palau and Fiji, are looking to form an alliance against the activity because of the high potential risk of environmental and ecological damages.<sup>36</sup>

Finally, China’s objective to contest the U.S. military position in the second island chain is likely a long way from coming to fruition. To be sure, the China-Solomon Islands security deal should encourage Beijing, but this is only part of the story. In my view, the deal came at the cost of tarnishing China’s image in the process because of the way in which it was done. Rather than conducting secret bilateral negotiations, Beijing should have been transparent from the beginning—or pushed Honiara in this direction—to allow the PIF to deliberate its potential ramifications. In the Pacific, consensus-based decisionmaking is crucial, particularly on issues that might affect the entire region. According to the Biketawa Declaration of 2000, regional crises must be coordinated and resolved from within the “Pacific Family,” i.e., among the 18 PIF members. In 2003, for example, Solomon Islands dialed up fellow PIF members to deploy their police to help quell domestic unrest, an operation known as Regional Assistance Mission to Solomon Islands, or RAMSI. This year, by contrast, Solomon Islands faced no immediate unrest, although there were riots in Honiara in November 2021 that turned anti-Chinese. Instead of engaging PIF members in security talks, however, Honiara unilaterally authorized an outsider, China, to potentially participate in future regional assistance missions, which is in violation of the Biketawa Declaration.<sup>37</sup> China should have known that this would not sit well with the PIF. Beijing’s decision will almost certainly make it harder for Pacific Islanders to trust that China is not trying to undermine the PIF.

And because of the way Beijing handled the Solomon Islands security deal, the PIF spotlight is now on China. Indeed, Beijing has raised eyebrows among Pacific Island leaders when it comes to its dealings with another one of their own: Kiribati. Like Solomon Islands, in 2019, Kiribati switched diplomatic recognition from Taiwan to China, and since then, the two nations have maintained a cozy partnership. As mentioned above, Beijing is refurbishing the airstrip on Kiribati’s Canton Island, which sits just 1,500 miles from Hawaii, and Washington worries it

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<sup>35</sup> Bernadette Carreon, “Kiribati to Open One of World’s Largest Marine Protected Areas to Commercial Fishing,” *The Guardian*, November 15, 2021.

<sup>36</sup> Catarina Demyon, Sergio Goncalves, and Helen Reid, “‘Not Worth the Risk’: Palau, Fiji Call for Deep-Sea Mining Moratorium,” Reuters, June 27, 2022. For those interested in pursuing deep-sea mining, see Nic Maclellan, “Cook Islands: ‘Uphold the Decision Making Process of Our Forum Leaders,’” *Islands Business*, July 14, 2022.

<sup>37</sup> For more on RAMSI, visit <https://www.ramsi.org/>. For more on the Biketawa Declaration, and particularly its relevance to RAMSI, visit <https://www.ramsi.org/wp-content/uploads/2014/07/Biketawa-Declaration.pdf>.

might become a future airbase. Adding to the intrigue, on the eve of the PIF summit held in July, Kiribati stunned the forum by announcing it would not participate, ostensibly for reasons related to the forum's leadership. However, a former president of Kiribati, Anote Tong, believes that the current government is "cooking something" with Beijing, perhaps fishing access to PIPA or something more.<sup>38</sup> Beijing's bilateral dealings with Kiribati outside the PIF's purview, especially on issues such as Canton Island or PIPA, which are likely to hold serious strategic implications for Oceania, are worrisome to the region and, like in the Solomon Islands case, undermine Pacific Islanders' confidence in Beijing.

From a broader perspective, China's attempt at ramming its China-Pacific Islands Common Development Vision through the foreign minister PIF (which did not include all members) in May also elicited suspicion. For example, Samoa's Prime Minister and Foreign Minister Fiamē Naomi Mata'afa stated that issues such as the Solomon Islands deal "need to be considered in the broader context of what we have in place and what we want to do in terms of security provisions for the region."<sup>39</sup> PIF consensus-building takes time, yet Beijing is attempting to hurry members along. Other leaders have serious concerns about the contents of China's plan. Micronesian President Panuelo, for example, suggested that China's Common Development Vision is to "ensure Chinese control of 'traditional and non-traditional security' of our islands," while calling the plan "a smokescreen for a larger agenda."<sup>40</sup>

Another challenge for Beijing is that the PIF, at the highest levels, has noted its disinterest in and distaste for getting swept up in great power competition between China and the United States. Following the 2022 Forum Foreign Ministers Meeting in July, for instance, the PIF Secretary-General Henry Puna, who hails from the Cook Islands, pointedly stated, "They [Chinese delegation led by Wang] came here with their own prepared outcomes document. And it was that that our members have reacted against. Because, the thing is, if anybody knows what we want, what we need, and what our priorities are, it's not other people, it's us. So, it was on that basis that the region did not accept that approach."<sup>41</sup> Puna's comments echo Fijian Prime Minister Frank Bainimarama's tweet during Wang's visits, in which he wrote, "The Pacific needs genuine partners, not superpowers that are super-focussed on power."<sup>42</sup> His comments

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<sup>38</sup> Eleisha Foon, "Kiribati 'Cooking Something with China'—Former Kiribati President," Radio New Zealand, July 14, 2022.

<sup>39</sup> Lucy Craymer, "Pacific Islands Forum Should Consider China Security Ties, Samoa's Prime Minister Says," Reuters, June 14, 2022.

<sup>40</sup> Panuelo, 2022, pp. 3 and 7.

<sup>41</sup> Stephen Dziedzic, "Pacific Leaders to Declare 'Climate Emergency' in PIF Statement, Praise Australia's Move to Lift Emissions Reduction Target," ABC News, July 14, 2022.

<sup>42</sup> Fijian Prime Minister Frank Bainimarama, "The Pacific needs genuine partners ...," Twitter tweet, May 30, 2022, <https://twitter.com/FijiPM/status/1531180835356803072>.

have real heft because Fiji is considered the traditional power center of the Pacific and is the physical location of the PIF headquarters.

Yet their aversion to great power competition does not mean Pacific Island nations are not leaning to one side. In another surprise move at the July PIF summit, members invited U.S. Vice President Kamala Harris to give a virtual address to the forum in spite of an earlier decision to exclude all dialogue partners, including China.<sup>43</sup> Moreover, when the Biden administration unveiled its Indo-Pacific Economic Framework in May to compete with China's growing economic clout, Fiji quickly announced its intention to join.<sup>44</sup> In other words, Washington, not Beijing, gets the benefit of the doubt on regional initiatives, even when at a moment's notice.

Moreover, Beijing has to battle the Western narrative that BRI creates unsustainable debt for recipient countries. Rightly or wrongly, many observers have blamed Sri Lanka's recent economic collapse, at least in part, on bad BRI loans.<sup>45</sup> Within Oceania itself, seven nations are at high risk of debt distress: Kiribati, Marshall Islands, Micronesia, Papua New Guinea, Samoa, Tonga, and Tuvalu. Another three nations (Solomon Islands, Vanuatu, and Timor-Leste), are currently at moderate risk.<sup>46</sup> These are all low-income nations that rely on external assistance for their survival. For Beijing to have future success in the Pacific, it must demonstrate how BRI is a safe and fair option for each program participant.

## Implications for the United States and Its Allies and Partners

Following this analysis, four major implications can be drawn for the United States and its allies and partners, namely Australia, France, Japan, New Zealand, Taiwan, and the United Kingdom.

First, given that China has thus far only experienced partial success in achieving its strategic goals, and more importantly, because the road ahead seems quite challenging, the United States and its allies and partners arguably should dispel the notion that they are somehow losing influence to Beijing in the Pacific. Indeed, the facts speak to quite the opposite—most significantly on display when all PIF dialogue partners were barred from last month's summit, yet Vice President Harris was allowed to give a virtual address. Having good friends Australia and New Zealand in the PIF as full-fledged members certainly helps the United States maintain influence in the region.

That said, Beijing is clearly determined to make additional inroads and most likely will succeed in the coming years. Hence, the United States and its allies and partners should not fall into complacency, either. Vice President Harris' recently announced initiatives, including the opening of U.S. diplomatic missions in Kiribati and Tonga (in addition to reopening the U.S.

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<sup>43</sup> "Remarks by Vice President Harris at the Pacific Islands Forum," White House, July 12, 2022.

<sup>44</sup> "White House Welcomes Fiji to Its Indo-Pacific Economic Plan," Reuters, May 27, 2022.

<sup>45</sup> Jamie Seidel, "China Accused of Luring Countries Like Sri Lanka and Laos into 'Debt Trap,'" news.com.au, July 18, 2022.

<sup>46</sup> These rankings come from Keshmeer Makun, "The Pacific Has a Spiralling Debt Problem—and This Is What Governments Can Do About It," ABC News, July 9, 2022.

embassy in Solomon Islands, announced earlier), appointing the first-ever envoy to PIF, tripling the administration's request for funding in the Pacific, bringing back the Peace Corps, reestablishing the USAID mission in Fiji, and drafting a Pacific Islands strategy are all positive developments. Washington was also wise earlier this year to appoint a special envoy, Joseph Yun, to seal renewal of the Compacts of Free Association (COFAs)—unique international agreements granting the U.S. military near-exclusive access to FAS territories and EEZs—because Beijing has also been seeking opportunities to weaken these bonds in the second island chain. It also made sense for the Biden administration in June to establish “Partners in the Blue Pacific,” which leverages key ally and partner contributions across multiple challenges, such as climate change, health, and connectivity and transportation, by including Australia, Japan, New Zealand, and the United Kingdom, and by working in consultation with France.<sup>47</sup>

Moreover, the United States is in the advantageous position of having Australia and New Zealand refocus their attention on their own neighborhood. Australia is taking China's heightened presence in the region very seriously. The Solomon Islands security deal was a major political issue in Australia's national elections held in May, and the new government, led by Prime Minister Anthony Albanese, quickly dispatched Foreign Minister Penny Wong to the Pacific Islands to shadow Wang. After Wang left, Wong made two additional trips to shore up Pacific Family partnerships. Canberra vows to offer more economic assistance to the region and plans to establish a defense school to train Pacific Island militaries, in an obvious counter to Chinese plans to train Solomon Islands' law enforcement officers. Pacific Island states are also quite pleased with the Albanese Labor government's pledges to lower Australia's carbon emissions, which was a sore point under the previous Scott Morrison-led Liberal government.<sup>48</sup>

New Zealand, which until recently has tried to steer a middle path on China—keeping political and economic ties separate—gave in and acknowledged its growing concerns. During her visit to the White House in late May, Prime Minister Jacinda Ardern, in a joint statement with President Biden, said, “We note with concern the security agreement between the People's Republic of China and the Solomon Islands. In particular, the United States and New Zealand share a concern that the establishment of a persistent military presence in the Pacific by a state that does not share our values or security interests would fundamentally alter the strategic balance of the region and pose national-security concerns to both of our countries.”<sup>49</sup> Ardern later walked back this statement to appease Beijing, but it is clear that she and her government are increasingly uncomfortable with Chinese activities in Oceania.

A second implication of this analysis is that the United States and its allies and partners, while welcome to provide additional support to Taiwan to maintain its diplomatic space, probably do not have to expend too much time and resources on this effort. The fact is that Taiwan's remaining partners—Marshall Islands, Nauru, Palau, and Tuvalu—are quite staunch

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<sup>47</sup> “Statement by Australia, Japan, New Zealand, the United Kingdom, and the United States on the Establishment of the Partners in the Blue Pacific (PBP),” White House, June 24, 2022.

<sup>48</sup> Dziedzic, 2022.

<sup>49</sup> “United States-Aotearoa New Zealand Joint Statement,” White House, May 31, 2022.

supporters of Taipei over Beijing. To be sure, elections can bring to power new leaders who do not share the same perspective, but Taiwan will undoubtedly remain at the forefront of influencing them to keep their policies intact. Rather, the United States and its allies and partners might continue to argue for Taipei's inclusion in multilateral fora to ensure representation on issues important to Taiwanese security, such as discussions on pandemic recovery through the World Health Assembly. Beijing has blocked Taipei's participation there and in many other venues for many years.

Third, instead of engaging in blatant forms of rivalrous behavior versus China in the Pacific, the United States and its allies and partners should find ways to better support the PIF leadership's *2050 Strategy for the Blue Pacific Continent* and communique from last month. The topline goal of the PIF's strategy is to ensure "a resilient Pacific region of peace, harmony, security, social inclusion and prosperity, that ensures all Pacific peoples can lead free, healthy and productive lives."<sup>50</sup> Intensified rivalry with China in the Pacific would only seem to put at risk the potential achievement of these goals between now and 2050 and beyond. Moreover, the PIF leadership communique "reconfirmed that climate change remains the single greatest existential threat facing the Blue Pacific, underscoring the urgency to limit global warming to 1.5 degrees through rapid, deep and sustained reductions in greenhouse gas emissions."<sup>51</sup> Hence, if the United States, along with its allies and partners, prioritizes and leads collaborative efforts to resolve or mitigate the climate change crisis, then that could go a long way toward building trust with Pacific Island nations—at China's strategic expense. As part of the communique, leaders also discussed "the need for urgent and immediate assistance with vulnerability to debt; a clear pathway for energy security and urgent requirement for decarbonization of the energy sector towards renewable energy; and the need to address supply chains issues and rising costs of food." These areas offer additional pathways for the United States and its allies and partners to build up their influence throughout the Pacific. As noted above, Pacific Island debt is a particularly vexing concern; thus, if the United States and its allies and partners offer viable alternatives to China's BRI, then that might ease Pacific Island concerns.

Fourth, and finally, the United States and its allies and partners generally should seek to avoid further militarization of the Pacific, or resorting to military options first, when dealing with the region. Although it is concerning that China may eventually establish a naval base in Solomon Islands or an airbase in Kiribati, these developments alone, should they come to pass, are not necessarily game-changing militarily, nor do they warrant counter moves that could escalate towards regional war. Washington and Canberra's decision in 2018, for example, to refurbish Lombrum naval base on Manus Island in Papua New Guinea to counter Chinese military plans is likely to only make the situation tenser.<sup>52</sup> Pacific Island leaders resoundingly

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<sup>50</sup> Pacific Islands Forum, *2050 Blue Strategy for Blue Pacific Continent*, Suva, Fiji, July 2022, p. 6.

<sup>51</sup> "Report: Communique of the 51st Pacific Islands Forum Leaders Meeting," Pacific Islands Forum Secretariat, July 14, 2022.

<sup>52</sup> Tim Fish, "Australia, U.S. Set to Expand Papua New Guinea Naval Base," *USNI News*, November 23, 2018.

rejected geostrategic competition at their summit last month and that would logically include military competition.

## Recommendations for the U.S. Congress and Federal Government

In the future, the U.S. Congress and broader federal government might consider the following:

- **Consider taking action on climate change policy.** Without action on climate change, an existential challenge in Oceania, Washington will look like a significantly less-credible partner in the Pacific. Inaction on climate change will further feed the counternarrative that Beijing is offering to Pacific Island countries, which dismisses the United States' seriousness in helping the region on this existential challenge. Recent reports indicate that the Biden administration is considering an emergency executive action on climate change.<sup>53</sup> This would be better than nothing, but legislation would signal a much deeper commitment.
- **Consider Pacific-focused policy.** Bills focused on the Pacific Island region, such as the Boosting Long-term U.S. Engagement (BLUE) in the Pacific Act (H.R. 2967), shows a renewed emphasis on the region, and particularly on assisting Pacific Island states with challenges most important to them. The BLUE Pacific Act, for example, covers climate change, pandemic recovery, and natural disaster preparedness, among many other areas.<sup>54</sup>
- **Leverage existing government capabilities to achieve targeted goals.** Because they are overwhelmingly small and impoverished, Pacific Island countries would greatly benefit from U.S. assistance in such areas as economic development and health security. For instance, Washington could call upon the National Guard State Partnership Program, or SPP, for specific services, such as pandemic relief. SPP already has partnerships across Oceania, including Tonga and Fiji both paired with Nevada and Papua New Guinea paired with Wisconsin. Vice President Harris' announcement that the United States plans to reestablish USAID and Peace Corps presence in the region is a welcome development in this regard.
- **Ensure funding for the renewed Compacts of Free Association (COFAs).** RAND research has addressed this subject, starting in 2019.<sup>55</sup> The COFAs are essential for Washington to maintain because these unique international agreements with the FAS in the North Pacific enable the U.S. military to have near-exclusive access to the FAS territories and EEZs. COFAs provide Washington with a "power projection superhighway" into the Indo-Pacific to address potential future contingencies, including a Taiwan, East or South China Sea, or Korea scenario. That said, because the COFAs have been around for many years, Washington, by renewing them, would not be signaling additional militarization of the Pacific Islands region. Assuming the Biden

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<sup>53</sup> Jennifer A. Dlouhy, Ari Natter, and Josh Wingrove, "White House Considers Emergency Declaration to Fight Climate Change," Bloomberg News, July 19, 2022.

<sup>54</sup> U.S. House of Representatives, "Boosting Long-term U.S. Engagement (BLUE) in the Pacific Act," H.R. 2967, Washington, D.C., May 4, 2021, <https://www.congress.gov/bill/117th-congress/house-bill/2967>.

<sup>55</sup> Grossman et al., 2019.

administration's new special envoy to the FAS successfully renews the COFAs, then Congress should consider ensuring funding that is at least equal to current levels, but an increased amount would demonstrate a strong commitment to this geostrategically vital subregion of Oceania.

- **Consider opening diplomatic missions in every Pacific Island state.** Vice President Harris' announcement to PIF that the United States would open diplomatic missions in Kiribati and Tonga, and Secretary of State Antony Blinken's announcement in February that Washington would reopen its embassy in Solomon Islands after nearly 30 years are welcome developments. However, more needs to be done. The current State Department posture has some ambassadors covering multiple Pacific Island countries, or defense attachés doing likewise. Embassies act as Washington's eyes and ears on the ground, and requesting information from Australian and New Zealander representatives has proven insufficient toward accomplishing all of Washington's objectives. And doing so overburdens Washington's friends. Instead, the United States could look to build its own diplomatic capabilities to ensure that China does not acquire an informational advantage.