

China Looks to the Pacific

Michael Powles

This paper focuses on the present and future likely impact of China as a whole in the Pacific. My argument is that China's rise to great power status is unlikely to be short-lived and that its impact on the Pacific Islands region will be substantial and will require significant adjustment. But the worst fears of some commentators in this part of the world seem excessive. Moreover, I believe that the countries of the region, acting with energy and skill and cooperating as they have when facing some past challenges, can influence the course of events in several fields of vital importance to them.

The Present Debate

There appears to be a widening gulf between those in the Pacific region who see an increasing Chinese role and influence in the region and welcome it and look to the opportunities they believe it could bring, and those who see the same trend but appear to fear it and look to ways of shielding against it.

In April 2006 China's premier, Wen Jiabao, visited the Pacific to meet with Pacific Island leaders and ministers. He spoke of a new partnership and agreed to provide several hundred million dollars worth of preferential loans, tariff reductions, development assistance, and investment.¹ This was no sudden "discovery" of the Pacific, as Chinese navigators had traversed the region centuries before. Indeed, earlier still, the ancestors of present-day Polynesians and Micronesians had moved southwards from what is now southern China and Taiwan, and then through parts of modern Southeast Asia, before embarking on their epic voyages to new Pacific homelands.² Subsequent migrations eastwards followed and then, more recently, increasing people-to-people contacts and commerce. Today's total trade between China and Pacific Islands countries has reached a value of USD\$1.1 billion annually.

Some are convinced of the advantages to Pacific Island countries of these developments. The Executive Secretary of the United Nation's Economic and Social Commission for Asia and the Pacific (ESCAP), for example, recently explained:³

One way of benefiting from Asian dynamism is for Pacific Island countries to expand their partnerships with Asia, just as Caribbean states have benefited through their links with not only the US and Canada but also Mexico and Brazil. The strengthening of Pacific Asia partnerships is ... a way to take advantage of the growing dynamism of the Asian region and its impact on the global economy.

But others see China's increasing more influence in terms of threats and strategic competition than of opportunities. Some observers in the region emphasise the dangers of a "dragon in paradise",⁴ and their image is certainly not that of the benevolent dragon of Chinese mythology but rather the aggressive pyromaniacal creature which England's patron saint was brave enough to slay. One respected regional academic has described China as "the most expansionist power in the world today".⁵ Other more specifically expressed concerns include

¹ "Wen pledges to lift Island ties," *Shanghai Daily*, 6 April 2006.

² Following publication of DNA evidence supporting this proposition, New Zealand's Foreign Minister, Winston Peters, himself Maori, gained some publicity with a statement reported by Dan Eaton, "Peters' history lesson: Once were Chinese," *The Press*, 28 July 2006.

³ Kim Hak-su, Executive Secretary, UN ESCAP, *South China Morning Post*, 7 April 2006.

⁴ John Henderson and Benjamin Reilly, "Dragon in Paradise: China's Rising Star in Oceania," *The National Interest*, 72 (Summer 2003): 94-104.

⁵ Ron Crocombe, "The growing Chinese presence in the region," *Islands Business*, January 2005.

that “the Pacific will become the main arena for a second Cold War between the United States and China that will last for decades”,⁶ or that “rising Chinese activity in the region has a broader twofold purpose: to sideline Taiwan and to undermine ties between Pacific Island nations and regional powers such as the United States, Australia and Japan”.⁷ China’s move into the Pacific area has been characterised as “clumsy, arrogant and dangerous”, with Pacific nations warned of the “need to be careful when dealing with such cynical revolutionary carpetbaggers”.⁸ As two Australian observers put it:⁹

China is not just filling a political vacuum created by Western neglect. It is incorporating the Pacific Islands into its broader quest to become a major Asia–Pacific power. China’s long-term goal is to replace the United States as the pre-eminent power in the Pacific Ocean.

In my own discussions over the past twelve months with Chinese academics, officials, analysts and retired diplomats, the message has been clear. China has two principal goals in the South Pacific: access to minerals and raw materials; and countering Taiwan’s efforts to recruit Pacific countries into its ranks. My own addition is that both these goals are pursued against a background of self-recognition that China is now a major Asia–Pacific power.

So these are some of the widely diverging views. Who is likely to be right in this debate about China’s role in the region?

Foreign observers have a distinctly poor record of trying to predict accurately what will happen in China or what China will do internationally. What I would like to do instead is examine some of the factors that are going to determine the way China will relate to the Pacific region in the future. Fearful that this might lead to what one book reviewer once called “more mush from a sinologist”, I would say two things. First, I am not a sinologist but just someone who has lived in and observed China for a number of years. Not long enough, though, to outweigh my roots in New Zealand and links with Samoa and Fiji. But second, I believe concrete steps need to be taken in the Pacific Islands region simply because—however one reads China’s intentions—China’s rise, its increasing influence, will require significant adjustments within the region. But, with energy and skill, the region could influence the course of events in key fields.

China’s Rise

A lot of the enthusiasm on the one hand and concern on the other is occasioned by the startling speed of China’s economic and, increasingly, political rise. Every day new headlines give meaning to the bald statistics about record economic growth, rising living standards, and balance of payments surpluses. For example, in 2005 more Buick cars were sold in China than in the United States; again in 2005, China sold more to one American company, Walmart, than it did to the United Kingdom; and just last month it was announced that China’s central bank had overtaken Japan’s as the world’s largest official holder of foreign reserves.¹⁰

Is such growth sustainable? Here, as on most significant issues relating to China, the observers are split into opposing camps. Some very well qualified observers answer emphatically that China’s rise will be followed quite soon by its fall. Gordon Chang predicted in

⁶ Robert Kaplan, “How We Would Fight China,” *The Atlantic Monthly*, 295, 5 (June 2005), on line at <http://www.theatlantic.com/doc/200506/kaplan>.

⁷ Susan Windybank, “The China Syndrome,” *Policy*, 21, 2 (Winter 2005): 28-33.

⁸ *Islands Business*, Editorial, May, 2006.

⁹ Henderson and Reilly, “Dragon in Paradise”: 94.

¹⁰ These developments are reported, respectively, by Peter Kwong in the *International Herald Tribune*, 10 January 2007; Stephen Green of Standard Chartered Bank, China, on China Radio International, 18 January 2007; and the account of a China Central Bank Report in the *Shanghai Daily*, 17 January 2007.

2001 that China “has five years, perhaps ten, before it falls”.¹¹ Gerald Segal, in an article entitled “Does China matter?”, wrote that “at best, China is a second-rate middle power that has mastered the art of diplomatic theatre”.¹² Pei Minxin sees China as being on a “Long march to nowhere”, stagnating in a “trapped transition”.¹³ Perhaps the most colourful argument against optimism is expressed in a very recent article by Gordon Chang:¹⁴

Mao regimented the Chinese people, oppressed them, clothed them in totalitarian garb, and denied them their individuality. Today, they may not be free, but they are assertive, dynamic, and sassy. A mall-shopping, Internet-connected, trend-crazy people, they are re-making their country at breakneck speed. Deprived for decades, they do not only want more, they want everything. Change of this sort is inherently destabilising, especially in a one-party state.

On the other hand, equally well qualified observers, and in fact many more of them, take the opposite view.¹⁵ Western business agrees and literally billions of dollars are being invested in China on the basis that China’s rise is indeed sustainable.

There are certainly economic and social factors in China which have the potential to derail its rise. There is heavy indebtedness in the banking system, the income gap between rich and poor is growing dramatically, the gap between the prosperous cities and the poor countryside is potentially destabilising, corruption is serious, there are serious deficiencies in the legal system, and in a public survey of many thousands of Chinese the state of the environment was ranked as the country’s greatest future challenge. The list could go on. Any of these factors, and certainly if several should combine, could stop China’s rise in its tracks. But there is no secrecy about these challenges and some are discussed daily in the local press. The government has programmes aimed at addressing most of them. That does not mean they will necessarily be overcome, but over the last two decades much evidence has accumulated of the ability of China’s government to tackle awesome economic and social challenges.

More serious in the view of many is the lack of significant development in the country’s political system. The country is still ruled by a monolithic Communist Party whose leaders are not selected in a way that Western observers could regard as democratic and popular accountability is limited. Movement towards both democracy and accountability is occurring but progress is slow. Some observers believe that political development will follow economic development. One has written:¹⁶

This writer is one of those who believe that economic development will bring about China’s political liberalisation. However, it is most unlikely that the Chinese government will collapse. In the wake of ... Tiananmen Square ... it was a rather common view in the West ... that the CCP regime would collapse before long. Many have since realised that the CCP and the Chinese people are unusually adaptable to their environment, internal and external.

¹¹ Gordon Chang: *The Coming Collapse of China* (New York: Random House, 2001) cited in Jian Yang, “China’s Rise: The Security Implications,” *New Zealand International Review*, 31, 5 (September-October 2006): 12.

¹² Gerald Segal, “Does China Matter?” *Foreign Affairs*, 78, 5 (September-October 1999): 24-36.

¹³ Pei Minxin, “Long March to Nowhere,” *Financial Times*, 24 February 2006.

¹⁴ Gordon Chang, “China in Revolt”, *Commentary Magazine*, December 2006, on line at <http://www.commentarymagazine.com/cm/main/viewArticle.aip?id=10798&page=all>.

¹⁵ See, for example, David Gosset, “The Dragon’s Metamorphosis,” *Asia Times*, 18 December 2006; Benjamin Shobert, “China: Barking up the wrong tree,” *Asia Times*, 5 December 2006; James Fallows, “Postcards from Tomorrow Square,” *The Atlantic Monthly*, 298, 5 (December 2006): 100-13; David Gosset, “A new world with Chinese characteristics,” *Asia Times*, 7 April 2006; Jian Yang, “China’s Rise: The Security Implications,” *New Zealand International Review*, 31, 5 (September-October (2006): 12-16; John Feffer, “China and the uses of uncertainty,” *Asia Times*, 15 December 2006; Yongjin Zhang, “Relationship Dynamics and Strategic Calculus: A China Perspective,” in *China and New Zealand*, ed. James Kember and Paul Clark (Auckland: New Zealand Asia Institute, 2003), pp. 87-99.

¹⁶ Yang, “China’s Rise”: 12

Some observers argue that since the government abandoned Marxism in favour of materialism it has lost legitimacy. Certainly there is now no dominant ideology as there was under Mao. Legitimacy rests instead on the government's ability to continue to provide increasing prosperity. Meanwhile, as fast as it can, it is encouraging the study of Confucius, debunked by Mao, to seek to underpin society with appropriate moral values. One very senior Chinese official remarked to me twelve years ago over a beer that on bad mornings he awoke fearing Chinese society would simply spin out of control through rampant materialism. On better days he believed that Confucian moral values could eventually provide the moral glue necessary to hold society together.¹⁷

Finally on this point, a former New York Times China correspondent, Nicholas Kristoff, who still visits China regularly, has written:¹⁸

My hunch is that the period of smooth sailing [since Tiananmen] is now coming to an end. I sense more fragility in the system than at almost any time in the 23 years that I've been writing or living in China. [...]

There is a growing boldness in the land which is significant because the times when Chinese have risen to demand change (including 1989) have been when they have been feeling most bold.... China will end this century as the world's most important country ... but after a wild ride. My premonition is that ferment in China will grow and that the long calm since Tiananmen may be coming to an end.

Clearly it would be unwise to make any firm predictions about where China will be, economically and politically, in ten years time. If I had to guess, and it could only be that, I would expect China's rise to continue, not least because of the extraordinary adaptability and resilience of her people, not to mention their energy and intelligence. But the odds could well favour at times the "wild ride" Kristoff predicts.

A peaceful rise?

If China's rise to world power status were to be accompanied by the conflagrations that accompanied the rise of, for example, Germany and Japan in relation to Britain and the United States, the consequences for the Pacific would be horrendous. On the other hand, if China's rise were to be more like the rise of the United States in relation to Britain, the repercussions in our region would be more manageable. In any event, at least for the next several decades, China is most unlikely to seek to challenge the existing world order militarily, not least because of the vast gulf in military might between China and the United States. Strangely, the impression one gets from some utterances coming out of Washington is very different and "China threat" theories abound.

The Chinese inevitably look at their international situation today through the filter of their history, leading them "to feel that their rise now is very appropriate and they see it in the context of a past century of humiliation."¹⁹ The pride they have in China's long history is combined with the painful memory of the "Century of Humiliation" to give a contradictory feeling of being both confident and vulnerable.²⁰ Predicting China's likely behaviour internationally in precise situations will thus always be difficult.

Another factor relevant to China's rise, and one over which China itself has little influence, is what one historian writes of as the "Descent of the West".²¹ Late last year, a British journalist

¹⁷ The writer was New Zealand ambassador in Beijing 1990–93.

¹⁸ Nicholas D. Kristoff, "Rumblings from China," *New York Times*, 2 June 2006.

¹⁹ Nicholas Platt, reported in *Shanghai that's*, November 2006.

²⁰ Yang, "China's Rise": 15.

²¹ Niall Ferguson: *The War of the World: Twentieth Century Conflict and Decline of the West* (London: Penguin, 2006).

reviewed what he saw as the decline of US power and influence both globally and regionally, including even in the Americas, and concluded that, as this century progresses, the United States will become increasingly preoccupied with managing its own imperial decline.²²

Whether this is overstated or not, the question of how the United States, Japan and other powers react to China's growing power will strongly influence how China itself uses that power. The United States could make efforts to accommodate China's growing role regionally and globally and give it respect as a global player.²³ Or it could refuse to accept or negotiate its relative loss of influence, particularly in East Asia. In the latter situation tensions would be likely to rise as "China-bashers" fuse anti-communism with attempts to ignite racist fears of a "yellow peril". And if global terrorism proves to be too illusory a threat on which to justify US strategic policies, China may be an attractive alternative "threat". In this scenario, open conflict could ultimately be a possibility.

A more likely, less clear-cut, scenario is that the United States response will be a combination of accommodation and resistance, leading to a continuing policy of what one observer has called "conengagement" – a combination of containment and engagement.²⁴ Doubt as to which part of the "conengagement" policy will be applied from day-to-day would add another element of uncertainty to international relations.

It is interesting that Alexander Downer has publicly urged Americans to be more relaxed about China because, unlike the old Soviet Union, the Chinese "are much more pragmatic and engaging with the rest of the world. They are not trying to change the architecture of the world."²⁵

Japan for its part will not find it easy accommodating the changing strategic situation in Northeast Asia. Already there is talk of possible changes to Japan's constitution to enable a more vigorous defence role. Given the troubled history of the relationship between China and Japan, and some continuing tensions, and despite the economic imperatives favouring a harmonious relationship, there could well be difficult times ahead. The extent of the adjustment expected of Japan should not be underestimated. I recall a conversation over a decade ago in Beijing with a retiring Japanese ambassador to China. In response to my enquiry about his retirement he said, only half-jokingly, "Oh it will be rather busy as I need to persuade Tokyo that its aim should be to work towards achieving the same position in relation to China that Switzerland enjoys today in relation to Germany." I'm not sure how much progress he's making, or whether any progress at all would be realistic.

While most observers are agreed that China's military will be no match for America's for several decades,²⁶ there are two danger points. The first, and widely recognised, is the issue of Taiwan, where any move towards formal independence is likely to be opposed militarily by China. The second, less widely discussed, is the possibility that internal political disruption within China could lead to irrational foreign action. While the likelihood of either occurring is probably not high, these risks cannot at all be discounted.²⁷

²² Martin Jacques, "America's Decline and Fall," *Guardian Weekly*, 24 November 2006.

²³ Yang, "China's Rise": 15

²⁴ Feffer, "China and the uses of uncertainty": 3.

²⁵ Quoted in Greg Barnes, "Mining Australian Goodwill," *South China Morning Post*, 30 January 2007. An American observer has colourfully and perhaps offensively painted a different picture of differences between Russians and Chinese: "China is not Russia, drat the luck. The Soviet Union for all its formidable power, was Russian in character, and hence doomed to die drunk in a gutter clutching a utopian manifesto. China is sober." James Lileks, *Boston Herald*, 17 June 2001.

²⁶ See for example Yang "China's Rise"; Feffer, "China and the uses of uncertainty"; and Joseph Kahn, *International Herald Tribune*, 8 January 2007.

²⁷ One observer argues that the Taiwan issue could come to a head in 2007 or 2008. See Rodger Baker, "China's Concerns in 2007: Fears of a Perfect Storm," *Stratfor Forecasting*, 31 January 2007, online at

For their part, China's leaders repeatedly reassure the outside world that China's rise is not a threat to any country. For example, President Hu Jintao told students at Yale University last April: "In future China will continue to firmly stay on a course of peaceful development. It will not compromise the interests of anyone. China's development will provide opportunities for other countries."²⁸ As well as this statement of policy intention and the military imbalance between China and the United States, China has powerful reasons for concentrating its efforts and the major share of its resources on economic development. Jian Yang has written:²⁹

Economic development is also the key to internal stability. Indeed, it has been widely accepted in China that to develop its economy remains China's ultimate solution to all external and internal problems. [Jian Yang cites several Chinese academic sources for this.] Internally, to claim its legitimacy, the Chinese government has to raise living standards substantially.

Finally on this point, the record of China's actual actions internationally is encouraging. A Japanese observer emphasises the degree to which China is already enmeshed in the international system: "It is hard to imagine how an economically successful China so enmeshed in global capitalism will threaten the very system that made it rich and middle class. Bourgeois success tends to diminish military efficacy in international relations."³⁰ The Chinese leadership will be well aware of their dependence for their continuing political legitimacy on China remaining within an international system in which it can prosper.

While some observers expect China to challenge US pre-eminence in the international system eventually,³¹ China thus far has gone out of its way to work within the existing international rules of the game. It has emerged as a major power without significantly disrupting the international order.³² But there is no doubt that China has grown more confident in recent years.³³ 2006 saw its ambitious hosting of a summit for most of Africa and today massive preparations for the Olympics in Beijing in 2008 and World Expo in Shanghai in 2010 are under way. China has adopted a more prominent and outspoken role in the UN Security Council, supporting sanctions against North Korea but, with Moscow, vetoing a resolution on Burma. Its new willingness to contribute substantially to UN peacekeeping means it has become the largest troop contributor among the Security Council's permanent members. More recently of course there has been China's dramatic destruction of one of its own orbiting satellites, demonstrating at the very least that it does not accept American dominance in space.³⁴

Inevitably, observers have begun to speculate about the likely shape of a "new Sinocentric order". One writes of a possible eventual division of the world into American and Chinese spheres of influence,³⁵ but that seems far distant. A less far-reaching observation from the latest Davos meeting in Switzerland is that there is now a global consensus on China taking its place at the top table in a new multipolar world.³⁶

http://www.stratfor.com/products/premium/read_article.php?id=283660.

²⁸ Elaine Wu and Josephine Ma, "A rising China threatens no-one, Hu tells Yale students," *South China Morning Post*, 22 April 2006.

²⁹ Yang, "China's Rise": 15.

³⁰ Masaru Tamamoto, "After the Tsunami: How Japan Can Lead," *Far Eastern Economic Review*, 168, 2 (2005): 10.

³¹ Howard W. French, "Is it a peaceful rise? US shouldn't bet on it," *International Herald Tribune*, 20 April 2006.

³² Joseph Kahn, "China opens public discussion on its rising power," *International Herald Tribune*, 8 December 2006.

³³ In "China opens public discussion," Kahn writes of the Communist Party encouraging people to discuss what it means to be a major world power and of financing a 12-part television documentary which, without being jingoistic regarding China, studies other major powers.

³⁴ Philip Bowring, "Beijing's satellite blast reverberates in Washington," *International Herald Tribune*, 21 January 2007.

³⁵ Feffer, "China and the uses of uncertainty": 1-3.

³⁶ "The New Consensus: A Multipolar World, Viewpoints," *International Herald Tribune*, 27 January 2007.

Implications for the Pacific Islands Region

We cannot know precisely how all these possible developments and trends, will impact on the Pacific Islands region. They do illustrate, of course, that the Pacific region is not being singled out for greater attention than its proximity to China would justify. That China's rise, regionally and globally, will have a major impact on our region is not disputed, however.³⁷ The areas of possible impact can be divided into two categories. First, those on which the countries of the region will be able to have minimal impact. And second, those on which the countries of the region, with skill and possibly some luck, could have significant influence on the course of events.

First, the areas of impact on which the countries of the region could have minimal impact, where largely we will be spectators of events occurring in our own front yard. Several observers, quoted earlier, have forecast a serious competition for strategic influence between China and the United States occurring in the Pacific Islands region.³⁸ We have seen that the intensity of that competition and the course it takes will depend on many factors, including how China exerts its power and how the United States reacts. We can all urge caution on both parties. Our voices will be heard but larger issues will determine both sides' actions.

Then there is the issue of Taiwan. Taiwan actively seeks to entice Pacific Island countries into its own diplomatic camp, while China actively opposes these endeavours. There is no doubt that the way in which the contest for diplomatic recognition has been conducted has been harmful to several countries in the region. I agree on this (if not on a great deal else) with Susan Windybank when she writes: "The competition between Taiwan and China for the diplomatic allegiance of Pacific states is adding to the region's problems, but it's not causing them. The two China's engagement is counterproductive, to say the least..."³⁹ New Zealand's Foreign Minister, Winston Peters, has also referred to the recent practice of "chequebook diplomacy" and warned: "Those who seek to manage their relations with the region in this way not only do great harm but also run significant risks to their own international reputation."⁴⁰

In response to questions after his speech, Mr Peters was prepared to name names, saying "I think Taiwan's involvement in the recent blow-up in the Solomon Islands is irrefutable." Australian Foreign Minister Alexander Downer has similarly criticised the practice of chequebook diplomacy.⁴¹ Requests to both sides not to engage in this kind of scurrilous bribery and corruption having failed to curb it, it now has to be hoped that public shaming will have an effect. My hunch is that eventually it will have, especially if it is combined with the kind of cooperative approach with China that I propose later in respect of crime and governance issues in the region. I do not believe that the more combative approach recommended by some commentators would be fruitful.⁴² Some observers suggest that the "Taiwan issue"

³⁷ Interestingly, but perhaps predictably, New Zealand commentators seem a little more sanguine about China's increasing role and influence in the Pacific than their Australian counterparts. Compare, for example, Colin James, "Foreign and Family: the Australian Connection — Sensible Sovereignty or Niggling Nationalism," in *New Zealand and the World: the Major Foreign Policy Issues, 2005-2010*, ed. Brian Lynch (Wellington: New Zealand Institute of International Affairs, 2006), pp. 29-37 with Susan Windybank, "The China Syndrome," on line at <http://www.cis.org.au/exechigh/Eh2006/EH39306.htm> or "China's Pacific Strategy: The Changing Geopolitics of Australia's 'Special Patch'", lecture to the Victoria Branch of the Australia Institute of International Affairs, 12 October 2006, online at <http://www.cis.org.au/exechigh/Eh2006/EH39306.htm>; Anna Powles and Brendan Taylor, "Double-Headed Dragon", *The Diplomat* (July 2005): 32-33; and Graeme Dobell's contribution in this volume. But extreme predictions have appeared on both sides of the Tasman, for example, Alan Simpson's "China looms as key player in Fiji," *National Business Review*, 19 January 2007.

³⁸ Windybank, "The China Syndrome", 29, 33; Henderson and Reilly, "Dragon in Paradise": 95; and Kaplan, "How We Would Fight China," <http://www.theatlantic.com/doc/200506/kaplan>.

³⁹ Windybank, "China's Pacific Strategy," <http://www.cis.org.au/exechigh/Eh2006/EH39306.htm>.

⁴⁰ Rt Hon Winston Peters, "Influences in the Pacific," address to the Commonwealth Parliamentary Association, Wellington, 16 August 2006.

⁴¹ Hon Alexander Downer, speech to the National Press Club, Canberra, 26 April 2006.

⁴² Dobell seems to favour a more combative approach by Australia.

heads both Beijing's and Taipei's policy priorities for the Pacific. No doubt this is true for Taipei, but almost certainly not for Beijing. As John Henderson has written, "China is looking beyond the Taiwan issue to gaining recognition as a major Pacific power."⁴³

I turn now to some of the areas in which I believe Pacific Island countries could have influence on the role China plays in the region. Some of these involve issues critical to the region's future prosperity and stability.

Marine and Seabed Resources

First the question of resource exploitation, particularly of the region's marine resources. The Pacific comprises more than a quarter of the earth's surface.⁴⁴ The Exclusive Economic Zones of Pacific Island states are said to cover an area of nearly 20 million square kilometres. In addition, there are huge maritime areas and, as well, the rights recognised over highly migratory species of fish such as tuna, which spend much time as well on the high seas. The Pacific tuna resource alone is the world's largest and, although at risk, the one with the best chance of being harvested sustainably. China has been a responsible participant from early on in negotiations intended to ensure the sustainable exploitation of the Pacific tuna.⁴⁵

This fisheries resource currently provides the biggest source of foreign exchange (from licence fees) for several Pacific Island countries. But excitement is mounting regarding the mineral potential on, or below, the ocean floor. Vast quantities of manganese, cobalt and other minerals lie on the Pacific seabed, much of it within the Exclusive Economic Zones of the Cook Islands, Kiribati, Marshall Islands, and Tuvalu. Polymetallic sulphides lie near Papua New Guinea and Fiji, and diamonds near Pitcairn. But exploration to date has been only partial. Exploitation is another matter, of course, but as the world's industrial powerhouses, very much including China, work through existing readily accessible supplies they will certainly turn to the exploitation of these seabed resources.

The right of island states to these seabed resources (and to the fish in the seas above) derives from the 1982 UN Convention on the Law of the Sea (UNCLOS). The Island countries of the Pacific are proportionately the greatest beneficiaries of the Convention.⁴⁶ The creation of Exclusive Economic Zones under UNCLOS has been likened to giving most countries additional provinces to manage and exploit. For Pacific Island countries these new resource-rich "provinces" are in most cases many times the size of existing land areas.

At present many Pacific Island countries are regarded as being comparatively resource-poor. This will change dramatically when the mineral resources of the seabed come to be mined. Just as Australia's mineral wealth contributes to the notion of it as the "Lucky Country", might not the Pacific Island countries, today the subject of so much negative news, one day become known as the "Lucky Islands"? The region certainly has an enormous interest in seeking to ensure that the rights provided under UNCLOS remain intact and are honoured.

⁴³ John Henderson, "Pacific Island Issues for New Zealand," in *New Zealand and the World*, pp. 131-40.

⁴⁴ The sheer size of the region is illustrated by the fact that the whole of what is known as the Caribbean would comfortably fit within the area occupied by just one Pacific Island state – Kiribati.

⁴⁵ The writer was from 2001 to 2004 chairman of the Preparatory Conference of the Western and Central Pacific Fisheries Commission

⁴⁶ Ron Crocombe *The South Pacific* (Suva: University of the South Pacific Press, 2001), p. 309. Also see also Bill Mansfield, "Resource Diplomacy: New Zealand's EEZ and the UNCLOS Treaty Regime," in *New Zealand and the World*, pp.149-154, where he refers to the enormous gains for New Zealand (achieving the fourth largest EEZ in the world) and the Pacific Islands. Mansfield comments: "It is very improbable that the balancing of interests that enabled the adoption of the Law of the Sea Convention could ever be reconstructed in the future and in any event it is highly unlikely that any attempted re-negotiation would produce a result as favourable for New Zealand." This equally applies to the Pacific Island states.

When China's Premier Wen Jiabao had his first summit meeting with Pacific Island leaders at Nadi in Fiji in April 2006, he announced some millions of dollars worth of aid, concessionary loans and tariff reductions. Almost certainly, though, the most valuable thing he brought was China's unequivocal commitment to respect Island countries' rights to these resources. He said: "As a permanent member of the United Nations Security Council, China supports the Pacific Island countries in pursuing their legitimate interests regarding maritime resources exploration and protection."⁴⁷

This commitment is doubly valuable at a time when international law generally is under strain.⁴⁸ As Sir Brian Urquhart, a distinguished British international civil servant, wrote:⁴⁹

The United States has done more than any other country to develop and strengthen both the concept and the substance of international law. It is nothing less than disastrous that a United States administration should have chosen to show disrespect for the international legal system and weaken it at a time when the challenges facing the planet demand more urgently the discipline of a strong and respected worldwide system of law.

(It is ironic perhaps that at such a time, the US Administration should be issuing calls on China to be a more "responsible stakeholder" in the international system.⁵⁰)

Small Island states by their nature depend more on the international rule of law for their survival and prosperity than large and powerful ones. Tuiloma Nerone Slade, then Samoa's ambassador to the United Nations and since a Judge of the International Criminal Court, said in 1999: "The rule of law in the affairs and the conduct of nations is of paramount importance to small states.... Ultimately the law is their most effective protection, an indispensable antidote to their insecurity and sense of vulnerability."⁵¹ At a time when United States support for international law is diminished, and Europe still seems preoccupied with enlargement and other issues, the role of the major powers of East Asia in maintaining the international legal system becomes significantly more important.⁵² Smaller countries will therefore need to look for international leadership in this crucial area to the major powers of East Asia.

Some observers might question whether the Pacific Island countries could conceivably have the capacity to wield effective influence in this area with China and Japan. The historical record suggests otherwise. Samoa's prime minister, speaking as chairman of the Pacific Islands Forum in 2005, said: "I think it is fair to claim that by cooperating at a regional level, Forum countries have achieved, in a number of areas, more than they might have been able to do on their own."⁵³ Their success in the international negotiation over rights to ocean and seabed resources was clearly such an area. And on many other issues internationally, through

⁴⁷ Premier Wen Jiabao, address to the First Ministerial Conference of the China–Pacific Island Countries Economic Development and Cooperation Forum, Nadi, Fiji, 5 April 2006, on line at http://english.gov.cn/2006-04/05/content_245710.htm.

⁴⁸ Following controversies over the legality of the invasion of Iraq by the US and Britain, extraordinary human rights violations by the US at Guantanamo Bay, and by several countries in their treatment of refugees, American failure to join the international consensus in support of the International Criminal Court and protection of the Rights of the Child, and the lack of progress by the nuclear powers in meeting their treaty obligations under the Nuclear Non-Proliferation Treaty, many observers believe that the overall international consensus underpinning international law is weakening.

⁴⁹ Sir Brian Urquhart, "The Outlaw World," *New York Review of Books*, 53, 8 (11 May 2006).

⁵⁰ Robert Zoellick, Deputy Secretary of State Deputy Secretary of State, "Whither China: from membership to responsibility?", remarks to the National Committee on US–China Relations, New York, 21 September 2005, on line at <http://www.ncuscr.org/articlesandspeeches/Zoellick.htm>.

⁵¹ Tuiloma Nerone Slade, "Pacific Perspectives on International Law," address to the International Law Association, Wellington, 8 July 1999.

⁵² Terence O'Brien, *Dominion Post*, 5 August 2006.

⁵³ Hon Tuilaepa Aiono Sailele Malielegaoi, prime minister of Samoa and 2005 chairman, Pacific Islands Forum, "The Future of Regionalism in the Pacific," Auckland and Wellington, Annual Pacific Lecture of the Pacific Cooperation Foundation, March 2005.

their collective action or in cooperation with other like-minded states on particular issues, the member countries of the Pacific Islands Forum have achieved considerable success.⁵⁴

Success has come, however, only after extensive collaboration has resulted in a common Forum Island Country position, often requiring individual countries to subordinate particular national positions to a regional one. The tension between national and desired regional positions has been a feature of negotiations by Forum countries often within the framework of the successful Forum Fisheries Agency, on the protection and sustainable exploitation of the Pacific tuna resource. Where a regional position has been achieved, which has frequently been the case, success in negotiations with, for example, distant water fishing states, has often followed.

Negotiating common positions for endorsement by all Pacific Island countries may become more difficult in the future as new political currents flow through the Pacific. Fortunately, under the Pacific Plan on which they have agreed, governments of the region will take steps that will promote closer cooperation and, where appropriate, integration. Indeed, Pacific governments considered that this would provide improved collective strength in dealing with the outside world. I therefore disagree strongly with recent suggestions from an Australian commentator that regional integration is a “dead end” and pursuit of it is “futile”.⁵⁵ The importance to all countries of the region of protecting rights under international law to marine and seabed resources and, ultimately, the exploitation of those resources, cannot be over-stated.

Good governance and foreign aid

The issue of promoting and encouraging good governance has been on the agenda in the Pacific for many years. Developments recently in several Island countries suggest that these efforts in favour of improved governance have not been universally successful, despite the support of Forum Island countries⁵⁶ and the commitment of Australia and New Zealand to give it high priority in their development programmes.

Hugh White has recently discussed what is involved in achieving good governance in the Pacific:⁵⁷

The hard part is root and branch reform of governmental institutions and political culture... The harsh fact is Australia does not know how to do this. There is no model anywhere in the world for a country like Australia to follow in playing an intimate role in trying to help a vulnerable state rebuild its government structure and political system. It goes well beyond the traditional conception of development aid, involving much more intrusive engagement in a nation's internal affairs. But there seems no alternative; normal aid does little to help these countries, and without some new form of help failure is very real.

I do not believe White exaggerates the enormity of the task. Indeed, it may be an open question whether it is in fact possible to change a country's “culture”. I do not believe that Australia or New Zealand, acting separately or together, could alone succeed in changing the culture of a Forum Island country. If there is to be any hope of success it would be essential to be innovative in tackling the task. Somehow the region as a whole will need to be involved, presumably through the Pacific Islands Forum itself, so that it is demonstrably not a case of the rich neighbours, the former colonial powers, being the proponents and instigators of

⁵⁴ For an account of their success at the United Nations, see Michael Powles, “Making Waves in the Big Lagoon: The Influence of Pacific Island Forum Countries in the United Nations,” *Revue Juridique Polynésienne*, 2 (2002): 59-76.

⁵⁵ Windybank, “The Changing Geopolitics”.

⁵⁶ For a full discussion of the commitment to improved governance on the part of Forum Island Countries, see Graham Hassall, “Good Governance, Human Rights and Conflict Resolution,” in *Securing a Peaceful Pacific*, ed. John Henderson and Greg Watson (Christchurch: Canterbury University Press, 2005), 239-44.

⁵⁷ Hugh White, “Muscular Dystrophy,” *The Diplomat* (December-January 2007): 36-37.

change in such a sensitive area. The region may not yet be willing to act jointly on such a project, in which case it would be sensible to wait until a consensus can be formed.

And then when it is possible to act regionally, it will be important to have the full backing of major outside powers involved in the region. Here there could be a role for China. Its backing and part-financing of such a project could have enormous advantages for perceptions of the project itself (improved governance being seen not to mean simply the imposition of Western standards) and for regional governance in bringing China into closer cooperation and involvement not only with Australia and New Zealand but also with the Island countries themselves.

I suggest this is not just naïve and unrealistic thinking. Only the most extreme and hardened adherent to the darkest “China threat” scenarios would believe that China could see any benefit in the national and regional instability that bad governance can bring. I suggest it could well be sympathetic towards such a project. There are clear indications that it could well be willing to cooperate in this field in the Pacific, where it is already supporting regional cooperation programmes of the Pacific Island Forum Secretariat.⁵⁸ Late last year a New Zealand journalist, Dan Eaton, under the headline “China extends hand to New Zealand in the Pacific,” quoted positive statements on aid cooperation in the Pacific by both China’s Ambassador to New Zealand and New Zealand’s Foreign Minister. The ambassador was quite specific.⁵⁹

In other words we want to work together with New Zealand, with Australia, consistent with the Pacific Plan. We are only good in a certain number of areas, like infrastructure, office buildings. Even in those areas we want to work with New Zealand. For example, in the Cook Islands people are criticising us. They say that the court building did not have the right architectural style. Okay, in that area, perhaps we can work with you and your architects can come up with a better design and we can work on the brick and masonry, or sometimes our money is not enough and we can pool our money.

Asked about these comments, Foreign Minister Winston Peters is reported to have said that diplomats and aid official were examining a range of joint projects that will be closely monitored.⁶⁰

We have in the past been concerned about the nature of China’s engagement and the nature of Taiwan’s engagement, which was a situation that leads to corruption. The Associate Foreign Minister [of China] and the Ambassador gave us a commitment to work together and to work alongside each other on projects to make the effort more effective and to ensure our money went further.

A New Zealand academic expert on the Pacific, asked about all this by the same journalist, is reported by him as saying, “I’ll believe it when I see it”. Indeed, these reported statements from both the Chinese side and the New Zealand side may well not yet reflect settled policy. But they do indicate a possible way forward.

Asian Criminal Influences in the Pacific

I have a similar suggestion to make here. But first, we do need to acknowledge the seriousness of the problem. Many observers have written of the challenge posed particularly by Chinese-related syndicates in the Pacific and some recent headlines suggest a serious situation: “Chinese gangs in the Pacific now real regional threat”; “Mafia, corrupt police cripple

⁵⁸“China assists Information and Communications Technology and Transportation in the Pacific,” *Pacnews*, 27 January 2007.

⁵⁹ Dan Eaton, “China Extends Hand to New Zealand in the Pacific,” *The Press*, 8 November 2006.

⁶⁰ Eaton, “China Extends Hand”.

PNG”; “Crime and corruption”.⁶¹ Some observers go so far as to suggest this criminal activity is sanctioned by Beijing, implying a dark and malevolent plot:⁶²

The crime is being perpetrated by organised syndicates, triads or snakeheads, on an unprecedented scale and it is operating within the context of a growing official Chinese presence.... Questions are increasingly being asked as to what the connection is between official Chinese policy in the region and the growth of these transnational criminal networks.

I do not disagree at all that there is a responsibility on the Chinese to work to combat this Asian crime wave in the Pacific. I question though that there is any likelihood of some kind of policy support or encouragement of these activities on the part of Beijing. (Thirty minutes reading local Chinese newspapers reveals a strange conundrum: while China’s major cities are among the safest in the world, at times, particularly in the countryside, the authorities have real difficulty enforcing their own criminal law.) But responsibility, yes. And in that regard we should remember that both Australia and New Zealand have police officers attached to their embassies in Beijing. I would find it hard to believe that the Chinese would decline to extend the liaison role of these police attachés beyond the strictly bilateral to encompass criminal activities in the Pacific.

Liaising about a problem can be a long way from solving it. But if the necessary police resources are put into the job by Australia and New Zealand, hopefully also involving the Forum Island Secretariat, and appropriate high-level political backing is given the effort by Australian and New Zealand and other Pacific leaders, improvement in the situation must be possible. I would re-iterate the importance of a clear Pacific Islands role through the political support of their leaders and the involvement of the Forum Islands Secretariat.

Conclusion

The lament “there goes the neighbourhood” has been used by a number of academics lately about the Pacific.⁶³ I am distressed that this should be said of our home region and prefer to look ahead to a time when we will envy the resource-rich “Lucky Islands” that I mentioned earlier. To achieve that goal, though, is likely to require some new thinking, perhaps along the lines I have suggested.

I suggest that now is the time to focus on developing common positions among the countries of the region; and then engaging with China on them. I have suggested three priority areas – marine and seabed resources, governance and development, and crime prevention. Other subjects could follow.

The process may not be easy. But perhaps guidance can be found in the words of ancestors on both sides. The mystic Chinese philosopher Lao Zi, of the sixth century BCE, had given thought as to how large kingdoms should relate to small kingdoms and vice versa, and particularly to how great kingdoms should conduct themselves:⁶⁴

Therefore if a great kingdom humbles itself before a small kingdom, it shall make that small kingdom its prize. And if a small kingdom humbles itself before a great kingdom, it shall win over that great kingdom... But in order that they both may have their desire, the great one must learn humility.

⁶¹ *Sydney Morning Herald*, 19 February 2005; Mark Forbes, *The Age*, 19 February 2005; and *New Zealand Listener*, 7 May 2005 respectively.

⁶² Powles and Taylor, “Double-Headed Dragon,” *The Diplomat* (July 2005): 33.

⁶³ For example, Windybank, “The Changing Geopolitics,” and Terence Wesley-Smith, “There goes the neighbourhood: The politics of failed states and regional intervention in the Pacific,” in *Redefining the Pacific*, ed. Jenny Bryant-Tokalau and Ian Frazer (Aldershot: Ashgate, 2006), pp. 121-40, esp. 121-26.

⁶⁴ *The Sayings of Lao-Tzu*, trans. and ed. Lionel Giles (London: J. Murray, 1905), pp. 34-35.

More recently, New Zealand Foreign Minister Winston Peters has looked back to his Maori ancestry and his people's mythology for wisdom on the challenges facing Pacific peoples today:⁶⁵

Maori have an old saying: *He rangi ta matawhaiti, he rangi ta matawhanui* – the person with a narrow vision sees a narrow horizon, the person with a wide vision sees a wide horizon.

There is no question that the Pacific occupies a wide horizon. Indeed it matters so much strategically because it accounts for one-quarter of the globe. Yet for a region of such daunting size, the countries of the Pacific often have limited and narrow horizons. Rather than the grand aspirational vision that such a vast and commanding presence should afford, the vision much of the Pacific embraces is often restricted to survival and trying to keep up. The rest of the world is not standing still and waiting for the Pacific; it is growing faster and more dynamic by the day.

⁶⁵ Rt Hon Winston Peters, "Reaching New Horizons: The Pacific's Economic Challenge," address to the New Zealand Pacific Business Council, Auckland, 18 August 2006.