

# **The China Alternative: Changing Regional Order in the Pacific Islands**

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University of the South Pacific, Port Vila, Vanuatu

The Honourable Minister for Foreign Affairs, Ralph Regenvanu

High Commissioners from Australia and New Zealand

Colleagues from the MSG Secretariat

The Head of School of Law, Professor Eric Colvin

Academics from across the region

Ladies and Gentlemen

Thank you for the opportunity to provide remarks as part of this symposium. It is an important and timely issue for our region that requires us to explore a range of challenges and opportunities. This morning I will aim to share some of my own reflections based on what I observe in my position as the Secretary General of the Pacific Islands Forum. There are three key points that I wish to make.

## **Framing – the Blue Pacific**

The first point I wish to stress is that the focus of the Forum and its Secretariat is on how to secure the future viability, prosperity and wellbeing of the Blue Pacific. The Forum seeks genuine partnerships with all actors who are willing to join us along the pathway towards that vision. Therefore, I reject the terms of the dilemma which presents the Pacific with a choice between a China alternative and our traditional partners. Unfortunately, this framing remains the dominant narrative in the public debate about our region in the context of today's geostrategic competition.

Such a narrative tends to portray the nations of the Pacific as passive collaborators or victims of a new wave of colonialism. In this context it is often difficult to engage in meaningful dialogue over relations with China without being labelled "pro-China" or perhaps even as naïve. Today I want to emphasise that a key challenge for the Forum is to maintain its solidarity as staunchly pro-Blue Pacific. The alternative we seek is an alternative path for development that can secure a better future for the people of our region.

Indeed the search for alternative, more meaningful paths for development for the Pacific is not new. The founding of the Pacific Island Forum itself can perhaps be understood in this way, with Pacific states working together to effectively exercise their newly attained sovereignty for the benefits of Pacific

development. The 'Pacific Way' was perhaps the most well-known framing of an alternative approach to development at that time. Civil society too has often called upon each other and the Leaders of the

### **"Friends to All"**

My second point: Forum Leaders have made it clear on a number of occasions that they place great value on open and genuine relationships, and inclusive and enduring partnerships within our region and beyond. A 'friends to all approach' is commonly accepted, while some have made a more formal commitment to this principle through their non-aligned status.

China's increasing diplomatic and economic presence in the region, coupled with its growing economic and political strength globally, brings both challenges and opportunities for our Blue Pacific. In general, Forum members view China's increased actions in the region as a positive development, one that offers greater options for financing and development opportunities – both directly in partnership with China, and indirectly through the increased competition in our region.

Indeed, if there is one word that might resonate amongst all Forum members when it comes to China, that word is access. Access to markets, technology, financing, infrastructure. Access to a viable future. For example, Australia's access to China's markets make it the former's largest trading partner in terms of both imports and exports. In 2017, China surpassed Australia as New Zealand's largest trading partner for goods and services.

To a large extent, Forum Island countries have been excluded from the sorts of financing, technology and infrastructure that can enable us to fully engage in a globalised world. Many countries see the rise of China and its increasing interest in the region as providing an opportunity to rectify this. Indeed, we have seen large increases in both financing for development and trade with China over the past decade or so.

More than this, and to reiterate my first point, many island countries see the current context as providing an opportunity for ensuring a Pacific that is (to use the words of former Kiribati president Iereme Tabai), "a viable community in our own right and at our own standard and with a feeling of pride and self-respect".

To be sure, we need not only think of these opportunities in relation to China specifically – their market, products, technology and so on – but also the broader range of opportunities emerging in the context of a rising China. China's presence has meant that other actors are resetting their priorities and stepping up engagement in the Pacific. We are also seeing some new partners emerging as well as the return of partners who had long left the region.

Therefore, the opportunities available to the Pacific are indeed many. Forum Leaders have a keen sense of the current historical moment and the opportunities it brings to realise better development outcomes for their country and its people. We are seeing offers and counter-offers by our partners. Within this context perhaps the key challenge facing the Blue Pacific is our ability to think through these

opportunities as a collective rather than only considering bilateral gains. It is of course the prerogative of Forum Island Countries to leverage this situation for their national benefit. My point, however, is that it also provides an unprecedented opportunity to position our region for the future and secure cultural and ecological integrity and generating our own wealth to ensure the social wellbeing of all Pacific Island people. So, to summarise my second point: Our region is indeed crowded and complex. This provides immense opportunity for securing the future of the Blue Pacific.

### **A Regional Approach - Possible Next Steps**

Finally, I wish to reflect on what might be some concrete steps that we can take as a region in the context of a rising China. Progressing the region forward towards its vision for the Blue Pacific will require long-term and focused political dialogue, both amongst the Forum membership, and with our partners.

More generally, the Forum is already taking steps to improve its engagement with its partners. Last year Leaders called for a review of the meetings and processes of the Forum so as to enable more focused and strategic engagement.

Specifically, in relation to China, I think it is timely and relevant for the Forum to commence dialogue on how it wishes to collectively engage with China. As I raised earlier, there is already much bilateral engagement between Forum members and China, but the Forum is best placed to take the lead on regional Pacific strategies for cooperation with China.

It is also appropriate to consider the merits of establishing a Forum-China dialogue, perhaps in a similar manner to the PALM with Japan or the Africa-China Dialogue. China already has its own platform for engagement with the region, the China-Pacific Islands Economic Development and Cooperation Forum, a “multi-bilateral” grouping which enables for China to meet at a high level with the eight leaders of those Pacific Island Countries that recognise China. While there are diplomatic issues underpinning this Forum that must be acknowledged, we must not overlook the opportunities present for advancing the priorities of the Blue Pacific. This will require all Forum members and a greater say in setting the agenda accordingly.

Infrastructure remains a crucial requirement for ensuring resilience in the Pacific. China’s Belt and Road Initiative claims to be an open platform supporting greater trade and investment cooperation through, in particular, cooperation in major, long term plans for regional development. Nine Forum member countries – Fiji, Samoa, Tonga, Vanuatu, Cook Islands, Federated States of Micronesia, Papua New Guinea, Niue and New Zealand – have signed MoUs to cooperate with China’s Belt and Road Initiative. Considering the opportunities for collective engagement with the BRI merit careful analysis and discussion.

We also know that in response to China’s growing influence in the region, alternative infrastructure initiatives have been announced from Japan, the US and Australia. As the Blue Pacific, rather than playing the merits of one against another, we should consider exploring the potential value of partners

working together for the benefit of the region. As I have said before, I would offer that channelling such assistance through the Pacific Resilience Facility is one of the many appropriate options for strengthening our will to drive our own pathways toward resilient development.

Furthermore, through the Pacific Resilience Facility we could also consider establishing common, regional criteria to help Forum members assess investments to ensure they are consistent with the long term vision and priorities for the Blue Pacific. The issue of infrastructure quality has already been a matter of public debate. Other standards might include environmental, social and cultural protections mechanisms. For example, under the BRI China has established an Ecological and Environmental Cooperation Plan which could be used to hold Chinese investments to account.

Finally, 2019 presents us with an important opportunity with Chile hosting APEC. In the Secretariat's 2017 State of Pacific Regionalism Report, we raised the potential for the Pacific to be a bridge between China and Latin America. Extending China's Maritime Silk Road through our Blue Pacific could provide opportunities for creating regional infrastructure and access that could inspire new markets of trade between Asia, the Pacific and Latin America; not to mention between Pacific Island countries themselves. It could also deliver much needed infrastructure and technology for building Blue Pacific resilience. The 2019 APEC meeting could provide the catalyst for dialogue on such opportunities.

## **Conclusion**

The themes from the last two Forum meetings have strongly articulated Leaders' desire for a shift in the development trajectory for the Pacific, through the Blue Pacific narrative and through it the opportunity to exercise our will. This is the strategic lens through which any conversation over China, and the associated geopolitical and geostrategic environment we find ourselves in, must occur. Our political conversations and settlements must be driven by the well-being of our Blue Pacific continent and its people, not by the goals and ambitions of others.

Thank you.