

Opening Remarks

Delivered at The China Alternative: Changing Regional
Order in the Pacific Islands Symposium

The University of the South Pacific, Port Vila, Vanuatu

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I feel honoured to have been invited to present a brief keynote address on the occasion of this The China Alternative symposium, and wish to convey my thanks at the outset to the organisers for the excellent arrangements.

I would also like to preface my address by making the obvious point that the dynamic and complex geopolitics that are purported to be changing the regional order in the Pacific, and that are the subject of this symposium, are simply reflective of international geopolitics and the paradigm and ideological shifts that happen as the dominant world states pursue their own national interests.

National context

For small island developing states such as Vanuatu, however, such shifts provide opportunities, including opportunities for greater leverage, upon which their relationship with the international community and development partners may be predicated and adapted.

No different than for other Pacific Island countries, Vanuatu's smallness, the smallness of our economy and our severe vulnerability to natural disasters makes such opportunities all the more valuable.

Also no different than for any other Pacific Island country, Vanuatu's own national interests are paramount in determining our relations with the international community and other states.

Vanuatu's national interest is the successful implementation of our *National Sustainable Development Plan 2016–2030*, also known as *The People's Plan 2030*, which is the country's vision and overarching policy framework for achieving a 'Stable, Sustainable and Prosperous Vanuatu' over the next 15 years; our locally developed adaptation of the United Nations' Sustainable Development Goals or SDGs.

In launching its *Budget Policy Priorities* for 2019, for example, the Vanuatu Government also appealed to the international community and its development partners for budgetary support. This is perhaps our principle 'ask' from the international community.

To that end, it has been my key stated priority since becoming foreign minister just over a year ago to push reforms in the government's internal workings to strengthen Vanuatu's capacity to be clear in knowing what it needs from the international community, and to be able to strategically articulate these needs to the partners who will assist us. In particular, the current review of national structures, capacity and mechanisms is aimed at assisting to ensure Vanuatu's smooth transition from Least Developed Country status next year, in 2020.

To reiterate, resourcing our own sustainable development is our key national foreign policy objective.

Regional security

In spite of competing interests, Vanuatu continues to uphold a nonaligned foreign policy, which is most explicitly manifested in our advocacy and practice of principles of denuclearisation and nonmilitarisation of the Pacific region. Vanuatu became one of the first signatories to the South Pacific Nuclear Free Zone Treaty shortly after independence in 1980, and most recently signed and ratified the Treaty on the Prohibition of Nuclear Weapons in September last year.

On the other hand, in our view, the security lens oft adopted by metropolitan powers in the region can also be distorting of what we feel is the reality, and is often seen as a drawback in relations, especially by those in officialdom. There sometimes is a perception that Vanuatu is 'taking sides'.

This is notwithstanding the complex relationship that our more traditional partners like Australia, New Zealand and France have, for example, with the Pacific, especially in security and defence.

For Vanuatu, which is consistently ranked as the country in the world most susceptible to natural hazards, the adverse effects of a changing climate and natural disasters remain the greatest threat to our national security. The commitment made by Forum leaders in 2015, which is now enshrined in the Boe Declaration—reaffirming that ‘climate change remains the single greatest threat to the livelihoods, security and wellbeing of the peoples of the Pacific’—confirms this.

I am here reminded of the humanitarian and economic cost in the aftermath of Tropical Cyclone Pam in 2015, amounting to over 60 per cent of the national GDP, and the ongoing Ambae volcanic disaster, which continues to cause large-scale disruption to the livelihoods of the approximately 10,000 inhabitants who are directly affected.

Less than two weeks ago, cabinet approved the establishment of our inaugural National Security Council and a draft National Security Strategy, which expands the more traditional concept of security to include climate change and disaster response, and includes the minister of climate change as a permanent member of the council and chiefs and civil society as ad hoc members.

Here I wish to acknowledge the continued support by our important bilateral partners, Australia, New Zealand, France and China, in building our national capacities to better respond to these new and emerging issues.

Political relations and development cooperation with China

Notwithstanding the perceived unorthodox means by which China’s continued assistance towards Vanuatu’s development priorities and aspirations continues to be manifested, the simple fact is that the assistance is meeting a development need or priority.

Also, and in spite of the recent spotlight on China’s development assistance to the Pacific, including Vanuatu, China is hardly the biggest donor in the region, or in Vanuatu.

An important factor in Vanuatu’s continued reliance on development assistance from China are the less stringent processes for getting large infrastructure projects implemented, which make it easier for small

administrations like ours to seek direct assistance. However, our engagement with China on infrastructure projects is also stimulating us to be continually vigilant in updating and enforcing our own laws and in building our own capacities for oversight of such projects. We are pleased that this interactive aspect of our relationship on infrastructure projects is developing fast.

With China, as with our other partners, we must continue to insist on climate-proof and resilient infrastructure built according to national standards.

The party-to-party relationships between the Chinese Communist Party and many of the key political parties in Vanuatu, whilst unheard of in the history of our relations with our more traditional partners, attest to a relationship that traverses differences in political ideologies and in cultural and bureaucratic norms, and is an interesting value-add to the relationship of many of our leaders with China.

And I am pleased to announce that in addition to a growing number of scholarships for our students to study in China and ongoing discussions on air services to improve air connectivity and strengthen people-to-people links between China and Vanuatu, we also look forward to signing a visa waiver agreement in the near future to ease travel restrictions between our countries. For Vanuatu, this is a strong evidence of a joint desire by both countries to further promote friendly relations between the two countries. Conversely, this element remains a significant missing part of our longer-term relations with our other key Pacific partners.

China continues to be an important player on the international stage as a permanent member of the UN Security Council and a global leader in trade, and Vanuatu will continue to seek ways to increase cooperation with China.

Concluding remarks

To conclude, Vanuatu's engagement with the international community continues to be developmental in its focus and nature, and in ensuring that gains of the past are safeguarded and incremental steps taken to expand and diversify its trade, economic and political relations.

And Vanuatu, as with other Pacific Island countries, can only hope that this continues to be done in the spirit of mutual respect and genuine and equal partnership.

Vanuatu welcomes increased efforts by Australia and New Zealand via their respective ‘Pacific Step-Up’ and ‘Pacific Reset’ policies to reach out to the Pacific.

Vanuatu also welcomes the intention of the United Kingdom to reopen its high commission in Vanuatu, and warmly applauds the government of Japan for establishing for the very first time its permanent diplomatic presence here in Port Vila.

The geopolitical dynamics of our region, with which we are all well acquainted, provide opportunities for the region, as I have outlined in this address. However, they also pose significant potential threats to our island ways of life and cultures, and our governments need to be continually responsive to such threats by taking all necessary steps to proactively manage them.

Dame Meg Taylor, Secretary-General, Pacific Islands Forum

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 that 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 Islands 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 region to find alternative approaches to development that are consistent with Pacific values. In 2011, the Pacific Conference of Churches produced the short think piece ‘Rethinking Oceania’, or ‘Rethinking the House of God’, which continues to be influential amongst civil society and faith-based organisations throughout the region.

Recently, forum leaders have reinvigorated their commitment to the development of the region in a manner that reflects their shared Pacific values and concerns. In 2017, forum leaders endorsed the Blue Pacific narrative as the core driver of collective action for advancing the leaders’ vision under the framework for Pacific regionalism. The narrative explicitly recognises that as the Blue Pacific, we are custodians of some of the world’s richest biodiversity and marine and terrestrial resources. Through our stewardship of the Pacific Ocean, we must do all we can to protect the wellbeing of Pacific peoples, and indeed Pacific nation-states and the ocean continent they inhabit.

To date, the Blue Pacific narrative has been successful in building solidarity and shifting the prevailing narrative of the region as small, dependent and vulnerable. Going forward, we need to build on this and develop concrete strategies that leverage the increased interest in our region and secure the future of the Blue Pacific.

Last year, the theme for the Nauru forum meeting called for a stronger Pacific and the need to more assertively exercise our will in determining the Pacific we want. The theme recognises that our developmental challenges are not only due to our size and remoteness, but also are the product of the prevailing global economic system, which has undermined the health of our oceans and the safety of our climate. Through its theme, Nauru is seeking opportunities to build on the Blue Pacific

narrative and reinvigorate political ownership of our regional development aspirations through rethinking development approaches and identifying, as a collective, opportunities for innovation. So, to summarise my first point: when considering the China alternative in the region, I would argue that we must do so from the perspective of securing our future as the Blue Pacific continent.

‘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 nonaligned 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 counteroffers 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 (Pacific Islands Leaders Meeting) 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 multilateral grouping that enables 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 (BRI) 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 BRI. 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 wellbeing of our Blue Pacific continent and its people, not by the goals and ambitions of others.

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