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## The Strategic Context of the New Pacific Diplomacy

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The new Pacific diplomacy is being shaped by politics played out in distant capitals. This chapter provides the strategic context for discussions of the new Pacific diplomacy by reflecting on the global competition that is influencing regional and national dynamics. It does not seek to devalue the issues, trends and agendas that have shaped the evolution of a new approach to diplomacy from within the region. Rather, it seeks to provide the missing piece of the puzzle with an overview of international trends that have also been integral to shaping the new Pacific diplomacy.

It highlights four broad trends. The first broad contextual trend is the geopolitical contest sparked by the rise of China, and to a lesser extent, Russia's renewed interest in the Pacific. The second is the increasing disquiet within the Pacific over the costs and benefits of regionalism. The third is Fiji's increasingly confident foreign policy and diplomatic strategy. The fourth is the impact of the first three trends on the traditional place of metropolitan powers in the region.

## The Geopolitical Contest Sparked by the Rise of China and Renewed Interest of Russia

There has been a revival of global geopolitical analysis since the end of the Cold War (Brzezinski 1997). There is little doubt that global geopolitical competition is having a profound impact on Pacific affairs, but most analysis is not focused on the Pacific. The decline in military competition between the ex-imperial great powers and Cold War opponents at the end of last century should not be overestimated. Dramatic strategic change appeared to herald a new era, but as the 21st century has unfolded, old habits have resurfaced and have become more obvious, and new players have joined the game. The growing assertiveness of revisionist powers is the most notable trend that impacts on the Pacific. Revisionist powers are those that challenge the international order and the hegemon (the US). This international challenge focuses on China and Russia, although the former has much more experience and capacity to take this contest to the Pacific.

If taken to its logical conclusion, the challenge would ultimately see the Washington Consensus undermined and replaced by a hitherto undefined Beijing Consensus (WHO 2013; McKinnon 2010). However, the revisionism in this challenge may be more apparent than real. It may be more a geopolitical challenge to US dominance than an existential threat to the international system as we know it (Mead 2014).

This new geopolitics also explains the interest of the Pacific's other 'new friends' — so-called by some Pacific leaders because they don't have the long-term relationships of the metropolitan powers who dominated the region for so long. The most notable of the 'new friends' — Indonesia, India, Israel, the United Arab Emirates, and Turkey — are simply trying to increase their relative power and influence in the existing system (and in the Pacific). While the arrival of these new friends is symptomatic of increasing geopolitical competition and buttresses the new Pacific diplomacy, for the purposes of brevity, this chapter focuses on China and Russia as examples of states bringing their international geopolitical competition with the United States to the Pacific. This focus is justified by the strategic potential of the challenge from these powers whilst other new friends are not in the same geopolitical league.

The nature of global competition is the subject of much discussion and debate, which is beyond the scope of this chapter to address in full. The relevant point here is that it provides the lens through which strategy and diplomacy in the Pacific is viewed. This is why there is much debate over whether China is, in fact, challenging the US and its metropolitan power proxies in the Pacific (O'Keefe 2014; Lanteigne 2012; Hansen 2008; Yang 2011; Sen 2015).

China's rapid economic development has certainly shaped foreign and economic affairs, but a more recent trend is that it is becoming more strategically assertive. In recent years, this has included expanding its global reach through 'harmonious diplomacy' (Wang 2007; Crocombe 2007, pp. 249–67). The newly announced 'strategic partnership' with Pacific Island countries also fits this strategy (Xinhuanet 2014).

More recently, the renewal of Russia's global ambitions has added impetus to geopolitics. There is some debate over whether Russian power is expanding or declining (Ikenberry 2014), but either way Russia has been increasingly interested in exercising influence in the Pacific and has used a similar, yet much more modest, approach to China. This could be because it is a cost effective way of influencing many states and their votes in international forums and/or opening a new front in the larger geopolitical contest with the United States.

There are some signs that Russia is more interested in strategic competition involving military aid than China. For instance, Russia concluded a defence cooperation agreement with Fiji in February 2013 and has provided assistance to Fijian peacekeepers in the Golan Heights (ABC News 2013; China.org.cn 2013). This is palpably different from the largely economic focus of China's approach; it reflects the Soviet/Russian historical approach to 'influence aid' and the historical response of metropolitan powers to activities, such as the Soviet's negotiating fishing agreements in the 1980s. It may be limited in scope, but this aid is significant for Fijian peacekeeping operations, which have become a key foreign policy priority. The fact that aid was sought from a rival to the US and metropolitan powers that were Fiji's traditional defence partners is geopolitically significant.

Needless to say, any militarisation of competition has the potential to expand the scope of geopolitical competition in ways that would impact on other actors, most notably the US, but also the metropolitan powers and China. It is noteworthy from this nascent trend that, in the Pacific at least, geopolitical competition is triangular (between the US, Russia, and China). This contrasts the bilateral competition — between the US and Russia, or the US and China — that characterises other diplomatic contests. In fact, it may be that China's growing influence is an additional element that has drawn Russia into the Pacific. This potential triangular element provides greater emphasis on Russia's diplomatic activities well beyond their material involvement in Pacific security, aid or trade.

## The (Incomplete) Promise of Regionalism

There has also been a growing perception that Pacific regionalism has not delivered. Pacific Island countries have viewed regionalism as a method of aggregating, increasing and sharing aid and development assistance. Regionalism was also seen as a buffer and brake on the interests of external powers and on the dominance of powerful Pacific states.

In contrast, from a critical vantage, regionalism has been shallow, uneven, incomplete and unfinished. It has imposed high costs, both in financial terms and in terms of eroded sovereignty, and has delivered small benefits relative to the costs. The financial sustainability of these activities has also been criticised.

The way that metropolitan powers have influenced development policies has also been questioned. The liberal development agenda has been viewed as too closely representing development orthodoxies developed elsewhere, or too closely tied to the interests of development partners — see, for instance, the commitments in the Waiheke Declaration on Sustainable Economic Development (PIF 2011; UNODA n.d).

Pacific government criticisms of the influence of new friends are not as pronounced as criticisms of the dominance of old friends, but criticisms are being aired in popular media. It may be that any beneficial role of new friends acting as an alternative to the metropolitan powers will also play itself out, especially if the funds dry up, preferential loans are called in, or greater conditionality is introduced.

In the security realm, agendas and agreements have focused on the orthodox security concerns of the metropolitan powers. The way that metropolitan powers have characterised the Pacific, from failed states to ‘doomsday scenarios’ (AusAID 2006), has also been criticised, while there is a perception that the issue of most concern to the Pacific — climate change — has not been addressed. This gives rise to statements, such as the Majuro Declaration, that place climate change at centre stage (PIF 2013).

The capacity and sustainability of many states to survive and prosper without external support has also been questioned (Reilly 2003, p. 66). Here, the Pacific that is largely aid-independent and can engage internationally and shape outcomes to support its preferences is clearly contrasted with the aid-dependent Pacific that lacks the capacity to act too far outside the interests of its influential development partners and/or donors. Larger and more economically and strategically important (to outside powers) Pacific Island countries such as Papua New Guinea and Solomon Islands have received the lion’s share of development assistance, with smaller island nations receiving far less in gross

terms. For all but a few states, development assistance has made up such a large proportion of government revenues as to guide and potentially distort priorities and programs. In contrast to aid-dependent Pacific Island countries, Fiji received far less external support as a per cent of GDP and has been able to shape the aid it has received to focus closely on national priorities. So the impact of external trends (whether development or geopolitical) and players (whether traditional or new sources of support) is also important to understanding the context behind the new Pacific diplomacy.

The intersection of liberal development agendas with national interests is not a new problem, but is more pronounced when new players with new rules of engagement enter the arena. Similarly, overpromising and under-delivering is not new. The regular pattern of critical self-review and reform practiced by large regional intergovernmental organisations has often been seen as ‘new wine in old bottles’, but this is more pronounced when there are other new players and new possibilities in relation to multilateralism in the region and beyond (Pacific Islands Development Forum, United Nations Pacific Small Island Developing States, Group of 77, etc.) (O’Keefe 2013).

The sense that there is one region is under significant strain. We may be witnessing the Pacific diplomatic identity collapsing into a hybrid of overlapping identities: the Pacific legacy, sub-regional blocs, and national interests. The ties that bind the region together are increasingly being questioned and may be unravelling. Again, this is not a new argument. Crocombe argued that ‘the one region policy set by the former colonial powers is being increasingly marginalized or subordinated’, and that there were overlapping regions based on the Pacific Islands Forum, Pacific Community, colonial history, and culture (Crocombe 2006, pp. 197–98, 203; Hawksley and Wolfers 2011). How important these issues and trends are depends on the outlook and geopolitical power of the state in question. What this chapter is arguing is that connections beyond the region are becoming increasingly important in how Pacific Island countries define themselves. Fiji has led the way in this regard.

The outcome has been an impetus for the development of a new Pacific diplomacy and the search for a new regional political settlement that would more closely reflect the interests of Pacific Island countries (Fry 2015). It may be that the ties that bind the region have been under sustained pressure for so long that they have stretched beyond their original scope. If so, then it is a mixture of the division between a state’s external motives for engaging with the region and the internal motives for Pacific Island countries to engage with outsiders that has led to the idea of the ‘Pacific’ unravelling. In an era of increased geopolitical competition, we are right to question ‘what is the Pacific Way?’.

## Fiji's Growing Diplomatic Independence and Confidence

Fiji's place in the new Pacific diplomacy is covered elsewhere in this volume; it is the geopolitical dimension that is discussed here. The key elements of Fiji's influence could be referred to as Fiji's rise as a 'normal' state. In terms of international relations, this means that Fiji has gained the capacity and willingness to act at the international level to support its interests and shape global affairs. This capacity refers to economic, military and diplomatic capacity. Both capacity and willingness are important, and they are activated through leadership and creativity.

Fiji's 'Look North' policy began in the early 2000s as an effort to look beyond traditional relationships and traditional patterns of behaviour (such as in the Pacific Small Island Developing States grouping in the United Nations system, the Group of 77, and the Pacific Islands Development Forum). This was largely driven from the top. Successive prime ministers and ministers of foreign affairs and international cooperation have developed and expanded this approach to a policy that today appears akin to 'look north and west', but not south. The elements of this policy focus on the choice of diplomatic partners and modes of cooperation.

From the perspective of diplomatic partners, the focus has shifted to powers beyond the region. As noted earlier, relations with China have grown closer and new relationships with countries such as Russia, Indonesia and India have grown (O'Keefe 2014). More surprising was the growth in relations with Middle Eastern countries, which was unprecedented for both regions. Fiji's network of embassies expanded and the energy and dynamism of the consular corps ensured that the new relationships bore fruit. Fiji also led the way in developing new modes of cooperation that looked beyond existing forms of regionalism.

The growing confidence that came from this independence fed directly into the new Pacific diplomacy and into Fiji's position as one of the few Pacific Island countries that could be viewed as shaping the regional diplomatic environment to suit its preferences. An enabling factor in Fiji's diplomatic strategy was the sanctions regime imposed by Australia after the 2006 coup, or more accurately, the longevity and inflexibility of the sanctions and their ineffectiveness at achieving their stated goals. An unintended consequence for Australia was Fiji firming its position and looking elsewhere for new friends and new modes of multilateral cooperation. Australia may have been distracted along with its 'great and powerful friend', the US, by the long war on terror, but the outcome of maintaining the rigid sanctions regime was that Fiji moved on.

Australia's diplomatic overreach in persisting with sanctions was clear from Fiji's unwillingness to compromise. Fiji continued this policy post-sanctions and has slowly clarified its position. For instance, Australia's high commissioner took up her position in December 2014, having been announced two years earlier, while Fiji selected its high commissioner in April 2015. The proposed summit to consider the suitability of the regional architecture in the light of Fiji's concerns about the role of Australia and New Zealand in the Pacific Islands Forum, scheduled for February 2015, was abruptly cancelled without explanation. A subsequent foreign ministers meeting, focused on regional disaster management, met in Sydney in July. This allowed the Fijian foreign minister to meet with his Australian and regional counterparts but did not resolve the tensions over Fiji's position on regional governance.

On regionalism, the Fiji government has made repeated statements against involvement in the Pacific Islands Forum as currently conceived, while slowly increasing participation. In May the prime minister clarified this in a presentation to the Pacific Islands Development Forum when he noted:

We will continue to participate in all forum activities at the public service, technical and ministerial levels ... As head of government, I will not participate in any forum leader's meeting until the issue of the undue influence of Australia and New Zealand and our divergence of views is addressed (ABC News 2015).

While Australia remains by far the dominant development partner across the region, for Fiji it has been overtaken by China. Over the last decade China has provided over US\$330 million while Australia provided US\$252 million (Brant 2015). This was during the sanctions period in which aid was quarantined, but it did not grow in the way that Australia's aid program to other Pacific Island countries did. It will be interesting to see how the aid budget compares now that re-engagement with Fiji is firmly on the agenda.

Fiji's relationship with Australia neatly captures the sense that a new Pacific diplomacy is being formulated. However, it also highlights the additional geopolitical lens through which we need to view regional diplomacy. Fiji developed a clear understanding of its national interests in the diplomatic realm and implemented a policy to achieve its ends, independent of other Pacific Island countries (especially Pacific Island countries that supported Australia and New Zealand during the long sanctions conflict). This has major implications for the future of regionalism.

## Metropolitan Powers with Pacific Interests

Another important context for understanding the influence of geopolitics on the new Pacific diplomacy is the role of metropolitan powers, specifically Australia and New Zealand (ANZ). New Zealand's role is covered elsewhere in this volume, so the focus here is on Australia.

During the Pacific colonial period the ANZ metropolitan powers were either colonies themselves, or were aligned or allied with the United Kingdom. They were colonies of choice who never left their coloniser's orbit, and this strategic culture has transferred to the present close alliance with the United States. As such, ANZ could nominally be viewed as agents/proxies of great powers in the region (Fry 2006, pp. 204–15). This was especially the case when contentious security issues arose involving geopolitical issues — from the South Pacific Nuclear Weapon Free Zone (SPNWFZ), to maintaining the regional status quo, to recent allegations of spying for the 'Five Eyes'. This in turn fed into criticisms of their undue influence over regionalism.

Australia has also been more active and more sensitive to geopolitical conflict in its backyard. Australia has its own strategic and development interests in the region, but where security is concerned Australia also acts as a proxy for the US. The US is concerned about geopolitical developments, but while the trends noted above solidified it was distracted by the war on terror and military entanglements in the Middle East. Australia was also distracted, but periodically returned to being concerned with regional affairs. However, geopolitical interests never overtook other national interests and the sanctions regime against Fiji was maintained. The subsequent regional division over sanctions clouded and shaped regional relations throughout this time. The increased Chinese interest posed a challenge to Australia's development strategy that the dictates of proximity would not allow it to retreat from, which made regional diplomacy even more complex.

China continues its pattern of 'influence aid' which developed during the height of competition with Taiwan over gaining and maintaining diplomatic recognition by Pacific Island countries. This competition is fading into history with the tacit compromise for each to keep its existing/traditional diplomatic partners (Dobell 2007). However, this 'truce' could potentially change if, in expanding its influence, China targets Taiwan's traditional partners (Lai 2007).

The point for the current situation is that China's pattern of interaction was tried and tested and is presently being expanded. Chinese aid to the Pacific has dramatically increased over the last decade, to the point where China has most probably overtaken Japan as the third largest donor, after Australia and the US (Brant 2015). Some caution is warranted, however, when viewing these figures.

There is little transparency in Chinese reporting of aid, making it difficult to measure accurately. In addition, aid from the US and France is largely focused on their Pacific dependencies so they do not have the same impact on the broader region. If this type of aid is discounted, China is probably about to displace Japan as the second largest donor, with Australia still remaining by far the largest donor — possibly at a factor of six to one (Brant 2015).

China's influence aid is a key avenue of geopolitical competition in the region. The approach of the new donors can be contrasted with the development partner approach of metropolitan powers (including Japan). For instance, preferential loans, untied aid and budget support do not fit neatly with the good governance and capacity-building agenda promoted by metropolitan powers — epitomised by the Paris Declaration on AID Effectiveness (OECD 2008). China describes itself as a friend that does not judge the values of its partners (Xinhuanet 2014), which relates to democracy and sustainable development. At this level, China and Russia could be seen as revisionist powers insofar as the liberal values of the Washington Consensus are concerned (Mead 2014).

Australia's focus on development assistance was complicated by its historical ties and increasingly complex aid diplomacy (Hawksley 2009). There was also tension between geopolitical interests — its own and a reflection of its allies — and the liberal objectives of promoting democracy and sustainable development (Firth 2013). China's increasing interest in the region was viewed in Canberra as strategic competition and competition for its largely liberal development assistance strategy, while the US saw China as a strategic rival in the South Pacific through its proxy, Australia. But as a metropolitan power, Australia has direct, enduring interests in the region, while the US is far more focused on its territories and the Western Pacific. These tensions in relation to differing strategic priorities remain unresolved.

## Conclusion

China and Russia's growing assertiveness has implications for the global hegemonic state, the United States, and its interests in the Pacific. It is also having an impact on other external powers with long histories of regional engagement in the South Pacific, not least of which are the traditional metropolitan powers — Australia and New Zealand. The geopolitical interests of both groups in the Pacific makes the maintenance of relations with new friends and old friends potentially destabilising.

Despite the potential for diplomatic manoeuvring, this increased external interest also poses opportunities and challenges for Pacific states. How they are placed to manage the challenges and take advantage of the opportunities is largely based on their capacity to engage with regional and global diplomacy and their importance to new friends and old friends.

This multilayered competition will play out for some years to come, so it is worth building it into our considerations of the enabling and disabling influence of geopolitics on the new Pacific diplomacy.

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