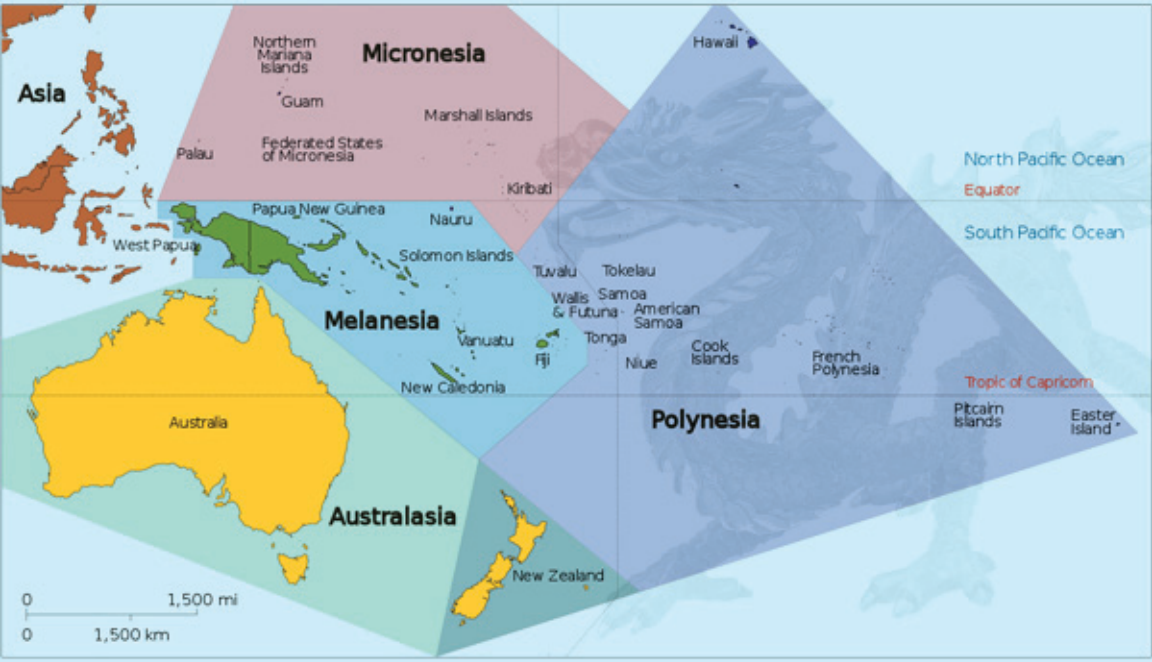

How has the Growing Rift in Oceania Enabled China's Rise in the Region?

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How has the Growing Rift in Oceania enabled China's Rise in the Region?

Abstract

This paper seeks to investigate the factors that allowed China to emerge as a major player in the Oceania. The paper argues that the traditional powers in the region, the ANZUS, have viewed the region predominantly through the geostrategic lens and in the process, have ignored the core concerns of the Pacific States and instead securitized the region driven by their narrow strategic goals, creating a vacuum and a readymade ground for China to step up and assume a gradually increasing influential role in the region with relative ease and without any credible resistance. The Pacific states, driven by their antipathy towards the ANZUS powers have sought to welcome China's presence and arrival in the region as necessary and legitimate.

Oceania refers to a region situated in the southwest Pacific Ocean consisting of 14 countries and nine dependencies. A four-fold nomenclature, based on geography and ethnicity, is commonly applied to study the region: Micronesia (small islands), Melanesia (island of black people), and Polynesia (many islands) and Australasia (including Australia and New Zealand)[1]. Barring the two large Australasian countries, all others are tiny island states with scant populations (less than a million,

1 Wikimedia Commons, "Oceania," United Nations Geoscheme Regions, https://upload.wikimedia.org/wikipedia/commons/5/54/Oceania_UN_Geoscheme_Regions.svg

except for Papua New Guinea),[2] are together referred to as Pacific Island Countries (PICs). Their economies are largely dependent on subsistence agriculture, fishing, and tourism. Papua New Guinea (hereby, PNG) is the largest of the PICs with a population of around nine million and an economy of US$23.5 billion[3]. Others' economies are less than a billion US dollars in size, and the region is among the most aid-dependent regions in the world. The population and economies of these states are so small that none except three PICs (Fiji, PNG, and Tonga) maintain militaries. Five of the PICs have a unique 'free association' arrangement called Compacts of Free Association (COFAs) with either the U.S. (Federated States of Micronesia, Marshall Island and Palau) or New Zealand (the Cook Islands and Niue).

The region has always invited interest from foreign powers in the past. Germany, France, Britain, and the U.S. have all have sought to maintain a dominant presence in the region since the 19th century. Most of these island states were colonies of the West until the region experienced a wave of decolonization in the 1970s-90s. Australia and New Zealand have long regarded the island states as their region of influence and have been sensitive about foreign presence. The U.S. too, after becoming a Pacific power in the aftermath of the Spanish war of 1898, has regarded the region as vital to its security architecture because of its constituent role in America's 'Island Chain Strategy' – a maritime containment strategy against the Chinese. Talking of the strategy, Wilson Vorndick in an article for CSIS writes:

> *"The island chain is a geographical security concept used to illustrate a defensive or offensive perimeter by linking islands and other larger landmasses together. Since American military planners in the 1940s identified the initial chain as a means to secure the Soviet Union's and People's Republic of China's maritime approaches, the number of chains has grown to three. John Foster Dulles is attributed with designating the islands stretching from the Kurils, the Japanese home*

2 Data Bank, "World Development Indicators : Papua New Guinea," World Bank, https://databank.worldbank.org/reports.aspx?source=world-development-indicators; worldometer, "Oceania countries by population (2021),", https://www.worldometers.info/population/countries-in-oceania-by-population/

3 Ibid.

> *islands, and the Ryukyus to Taiwan, the Philippines, and Indonesia as the "first island chain" in the 1950s. The second chain stretches from Japan through the Marianas and Micronesia, and the third is centred on Hawaii."*[4]

After the end of the second world war, driven by their security concerns, the US, Australia, and New Zealand came together in 1951 to conclude 'ANZUS' [5] as an alliance to consolidate their influence in the Southwest Pacific and limit any foreign presence in the region throughout the cold war period. Australia and New Zealand also extended financial and institutional support to the island states. In 1971, the two countries created the South Pacific Forum, a regional political grouping for the PICs to further cooperation within the region. The forum was later renamed as Pacific Island Forum (PIF) in 1991. However, the region soon lost its appeal to the western world after the end of the Cold War, as insecurities regarding Russian and Chinese influence subsided.

In the past decade, the region has once again gained traction in international politics as an emerging theatre for great power competition because of China's rising influence in the region. As China's economy has grown, its military and diplomatic power has also grown in proportion. Consequently, the Chinese sphere of influence has also expanded globally. Indo-Pacific region is one such domain where China has witnessed an exponential rise in its influence, and this has concerned the major maritime democracies in the region. Oceania too has witnessed a rising Chinese influence. This has given rise to typical concerns associated with China's presence such as, debt-trap diplomacy, weaponization of trade, elite capture, undermining of sovereignty that might eventually result in its military/naval presence in the region.

China's increasing influence became apparent when in 2018 reports surfaced that the Chinese People's Liberation Army was in negotiations with the government of Vanuatu for establishing a military base, ringing

4 Wilson Vorndick, "China's Reach has grown; so should the Island chains," Asia Maritime Transparency Initiative, Centre for Strategic and International Studies, 22 October 2018, https://amti.csis.org/chinas-reach-grown-island-chains/

5 National Museum Australia, "ANZUS Treaty," nma.gov.au, https://www.nma.gov.au/defining-moments/resources/anzus-treaty

alarm bells in Washington, Canberra, and Wellington.[6] Although the respective governments immediately denied any such negotiations[7], it was enough to raise concerns within the ANZUS. China's inevitable rise in the region is evident from the diplomatic switch made by the Solomon Islands and Kiribati in favour of the People's Republic of China by renouncing their diplomatic relations with Taiwan (Republic of China)[8]. The fact that PRC succeeded in stealing two diplomatic votes from a region that has historically been under Western influence, indicates China's expanding footprint. This episode manifests an intensification of the great power competition in the region, which Micheal Wesley describes as the 'new Cold War in Oceania'.[9]

These developments beg the question, "How did China succeed in breaking through the American island chain defence to eventually gain influence in the Oceania which has historically been dominated by the western powers, particularly the ANZUS allies? How did China manage to seek a sizeable footprint in a region where its political, diplomatic, economic, and military clout is far outweighed by the ANZUS allies?" This paper seeks to investigate the answers to the above questions. The paper argues that the traditional powers in the region have viewed the region predominantly through the geostrategic lens and in the process, have ignored the real concerns and imminent security issues faced by the PICs. Further, while the geostrategic significance of the region cannot be downplayed, the regional powers have erred in failing to appreciate the unique challenges of the region, and instead securitized the region driven

6 David Wroe, "China Eyes Vanuatu Military Base in Plan with Global Ramifications," Sydney Morning Herald, 9 April 2018, www.smh.com.au/politics/federal/china-eyes-vanuatu-military-base-in-plan-with-globalramifications-20180409-p4z8j9.html

7 BBC, "Vanuatu denies it will host China military base," BBC.com, 10 April 2018, https://www.bbc.com/news/world-australia-43707975

8 ABC/ Reuters, "China gains the Solomon Islands and Kiribati as allies, 'compressing' Taiwan's global recognition," ABC News, 21 September 2019, https://www.abc.net.au/news/2019-09-21/china-new-pacific-allies-solomon-islands-kiribati-taiwan/11536122

9 Michael Wesley, "Oceania: Cold War Versus Blue Pacific," in Strategic Asia 2020: US-China Competition for Global Influence, ed. Ashley J. Tellis, AlsionSzalwinski and Michael Wills (Strategic Asia Series 2020), https://www.nbr.org/publication/oceania-cold-war-versus-the-blue-pacific/

by their narrow strategic goals, creating a vacuum and a readymade ground for China to step up and assume a gradually increasing influential role in the region with relative ease and without any credible resistance. The paper further argues that China's capitalization on the mistakes of the traditional regional powers has instead accorded a sense of necessity and legitimacy to its presence in the region.

The paper in the first section discusses China's ambitions in Oceania in brief. In the second section, the paper attempts to explore three primary factors as believed by the author that have allowed China to not only expand but expand with legitimacy in the region. The third and final section concludes the paper by highlighting the multiple divisions that have emerged in Oceania as a result of narrow strategic policies followed by the traditional powers.

Section I: Why China seeks a Presence in Oceania?

Oceania is significant for China for multiple reasons. To challenge the American maritime hegemony is one. Like any other revisionist power, China equates its rise with challenging the status quo power, the U.S., and with expanding its global footprint. By extension, China's push to gain a strategically dominant presence in the region is attributable to its longing for a breakthrough against America's Island Chain Strategy. The American island chain designs have governed discussions within Chinese strategic circles for decades. Now, as the People's Liberation Army Navy (PLAN) plans to develop into a blue-water navy[10], it seeks more than ever to break the shackles that the American strategy has imposed on it.

The region harbours many of the U.S.' overseas territories and military bases (Guam, Mariana Island, American Samoa, for example), including its Indo-Pacific Command at Hawaii. The U.S. also has COFAs with three of the Micronesian states, allowing it to not only dominate the Pacific but also push China back into the China Sea. In this light, China's attempt to gain a presence in the region is also part of its pushback against the U.S. and its Indo-Pacific policy.[11] The U.S. Freedom of Navigation Operations (FONOPs) that China objects to as trespassing and a violation of its sovereign territorial rights are also mostly conducted from this region.

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10 Andrew Poulin, "Going Blue: The Transformation of China's Navy," The Diplomat, 15 April 2016,https://thediplomat.com/2016/04/going-blue-the-transformation-of-chinas-navy/

11 Ronald O' Rourke, "U.S.-China Strategic Competition in South and East China Seas: Background and Issues for Congress," Congressional Research Service, 2018, https://sgp.fas.org/crs/row/R42784.pdf

Secondly, the region also becomes important for China because of its insistence on the 'One-China Principle'.[12] The region has emerged as a ground for a fierce diplomatic rivalry between China and Taiwan.[13] Before 2019, six of Taiwan's 17 diplomatic partners belonged to Oceania. This has led China to view the region as a major challenger to its sovereignty and territorial integrity vis-a-vis Taiwan. With the Solomon Islands and Kiribati switching diplomatic allegiance to China, the support for Taiwan is reduced to just four in the region: Marshall Islands, Palau, Nauru, and Tuvalu. Thus, China's motives in the region are also aimed at isolating Taiwan and restricting its international space by undermining the diplomatic support it enjoys in the region. So far, China has been fairly successful in this regard.

Deterring Australia is the third factor that invites China's interest in the region. Australia has emerged as a principal irritant in China's foreign policy of late, especially after it demanded an impartial and transparent investigation into the origins of the COVID-19 pandemic at the World Health Organisation.[14] Since then, China has sought to penalize Australia, mainly through trade restrictions.[15] China has resorted to coercive diplomacy against Australia in the past as well, when the latter participated in the Malabar naval exercise with India, the US and Japan in 2007, angering the former.[16] But ever since Australia has joined the US, Japan and India to revive the Quadrilateral Security Dialogue in 2017, China has

12 China Internet Information Centre, "The One-China Principle and the Taiwan Issue," china.org.cn, http://www.china.org.cn/english/taiwan/7956.htm

13 Derek Grossman, "PIF Fragmentation May Alter US-China Competition in the Pacific," The Diplomat, 14 October 2020, https://thediplomat.com/2020/10/pif-fragmentation-may-alter-us-china-competition-in-the-pacific/

14 Lidia Kelly, "Australia demands coronavirus enquiry, adding to pressure on China," Reuters, 19 April 2020, https://www.reuters.com/article/us-health-coronavirus-australia-idUSKBN221058

15 Kirsty Needham, "Australia rejects Chinese 'economic coercion' threat amid planned coronavirus probe," Reuters, 27 April 2020, https://www.reuters.com/article/us-health-coronavirus-australia-china-idUSKCN2290Z6

16 Siddharth Vadarajan, "Four-power meeting drew Chinese démarche," The Hindu, 14 June 2007, https://svaradarajan.com/2007/06/14/four-power-meeting-drew-chinese-demarche/

adopted a permanently aggressive posture against each of the Quad members including Australia. It also views Quad's Indo-Pacific policy as a containment mechanism directed against China and has equated it to the Indo-Pacific NATO. [17] An editorial in China Daily, while referring to Australia's participation in the Quad and the Malabar Exercise, warned that "...Australia will pay tremendously for its misjudgment".[18] Therefore, China's burgeoning presence in Oceania is also aimed at scaring Australia into diluting its role and commitment to the Quad and the broader U.S-led Indo-Pacific policy. Australia has succumbed to Chinese pressure in the past when it withdrew from the Malabar Exercise in 2008. This probably encourages China to employ pressure tactics against Australia in its backyard. Aware of Australia's sensitivities in the region, China expects to dislodge one of the Quad's four pillars by imposing increased costs upon Australia for its participation.

17 Ananth Krishnan, "China's Foreign Minister says U.S. using Quad to build 'Indo-Pacific NATO'," The Hindu, 13 October 2020, https://www.thehindu.com/news/international/china-fm-calls-us-indo-pacific-strategy-a-huge-security-risk/article32844084.ece

18 Chinadaily.com.cn, "Canberra only has itself to blame: China Daily editorial," China Daily, 5 November 2020, https://global.chinadaily.com.cn/a/202011/05/WS5fa3e92ca31024adoba83601.html

Section II: How China is gradually Assuming an Influential Role in the Region?

The limitations of geography (low-lying landform, remoteness & smaller size) and demography (scant population) impose unique economic, developmental and security challenges on the Pacific states. Further, the presence of multiple traditional powers in the region, namely the U.S., Australia, New Zealand, and France also creates its own set of challenges for the region. Underappreciation of these challenges by the regional powers, and instead a preoccupation with the 'securitization' of Oceania driven by their narrow strategic concerns (*to limit any unwanted foreign presence*) has left a vacuum, thus creating an opportunity for both the PICs to invite China, and for China to step in to assume a larger role in the region. The paper does not argue that China has completely filled the gap vacated by the ANZUS and thus enabling its influential rise in the region. Rather, the paper argues that China's rise is primarily a result of the ANZUS' passivity in the region that is further aided by former's proactiveness to assume a larger role. The paper further maintains that the above-discussed factors have accelerated the rate of China's growing influence. This section discusses three such factors that have created an opening for China to emerge as an influential player in the region.

Climate Inaction

The PICs are exceptional in the sense that they face an unconventional security challenge as their primary threat, i.e., climate change. The PICs are among the most susceptible to even the slightest of climate change-related impacts, including inundation due to rising sea levels and salination of the watertable. Therefore, the issue of climate change is a matter of life and death to the region and thus, as a group, they have been

ferocious in demanding the developed and developing countries alike to strongly commit to climate change mitigation and emissions reduction. In pursuit of this cause, members-states at the 49th PIF, held in 2018, adopted the Boe Declaration[19] to make their concerns known to the world and encourage others to undertake commitments to help in their struggle for survival.[20] Experiencing shared security concerns, the members adopted a collective identity under the name "Blue Pacific Continent"[21] to work on joint strategies towards protecting the region.

However, the ANZUS' obsession with traditional security issues in the region, although understandable, has meant that the US, Australia, and New Zealand have been a letdown in so far as tackling the region's primary security challenge is concerned. They have largely remained callous and insensitive towards the PIC's climate change-related security threats. Not only they have failed to commit to climate action, but have rather repeatedly engaged in blaming the developing nations at successive UNFCCC summits for the issue, alienating and hurting the sentiments of the PICs.

A close reading of The Climate Transparency Report 2020 offers noteworthy observations concerning Australia and the U.S. (CT Report does not cover New Zealand). The CT Report for Australia 2020[22] provides:

> *Australia's per capita emissions (21.78t CO_2e/capita) are nearly three times higher than the G20 average (7.32t CO_2e/capita) and its total emissions have increased by 2.6% since 2012.*
>
> *Australia's 2030 national emission reduction target to reduce emissions 26-28% below 2005 by 2030 is not on track to achieve the already insufficient target of restricting the rise in global temperature*

19 PIF Secretariat, "Boe Declaration on Regional Security," Pacific Islands Forum, 5 September 2018, https://www.forumsec.org/2018/09/05/boe-declaration-on-regional-security/

20 PIF Secretariat, "Forty-Ninth Pacific Islands Forum: Forum Communiqué," Pacific Islands Forum, 6 September 2018, https://www.un.org/humansecurity/wp-content/uploads/2018/09/49th-Pacific-Islands-Forum-Communiqu%C3%A9.pdf

21 PIF Secretariat, The 2050 Strategy for the Blue Pacific Continent," Pacific Islands Forum, 2019, https://www.forumsec.org/2050strategy/

22 Climate Transparency, Australia | Climate Transparency (climate-transparency.org)

> *to 1.5 degrees Celsius above the pre-industrial levels.*
>
> *Australia still produces 57% of its electricity from coal, making Power the largest contributing sector to CO2 emissions.*
>
> *Emissions from fossil fuel extraction and export have also increased. Furthermore, due to a lack of policy direction, the investment in renewable energy is declining.*
>
> *Australia lacks sectoral mitigation policies and emissions are rising in the industry and transport sectors.*

USA's corresponding record in climate change as per the USA Climate Transparency 2020 Report[23] is equally disappointing. It provides:

> *The USA's total GHG emissions (excl. land use) are more than double the G20 average and decreased (although emissions have decreased by 6.9% between 2012 and 2017).*
>
> *USA's NDC submitted before its withdrawal from the Paris deal is not enough to restrict the increase in global average temperature to 1.5 degrees Celsius above the pre-industrial levels.*
>
> *The USA has the fourth-highest per capita emissions in the G20. Its transport emissions per capita are over four times the G20 average and have increased by 3.6% from 2013-2018*
>
> *Coal is projected to account for 17% of electricity generation in 2030.*

Further, the commitment of the two countries, the USA and Australia, to the Green Climate Fund (GCF), a fund meant for climate mitigation and adaptation in non-Annex countries, has also been a subject of criticism by the Pacific states, especially the Small Island States. The original commitment of $100 bn under the Paris Agreement by the developed countries was already deemed inadequate. The US and Australia have failed to commit the required contribution even as per the original commitments under the Paris Deal. During the Obama Administration, the US had committed $3bn to the fund but the eventual contribution stood at $1bn. After the Trump administration announced withdrawal from the Paris deal in 2017, the U.S. did not make any contribution to the GCF for more than four years. The current American President, Joe Biden has pledged to revive US' commitment to the GCF, and in Apr

23 Climate Transparency, USA-CT-2020.pdf (climate-transparency.org)

2021, proposed a $1.2 billion contribution to the fund. However, climate activists have condemned the contribution as inadequate.[24] Australia on the other hand cancelled its commitment to the GCF in 2018 after having contributed $200 million under the Abbott government in 2014[25], leaving the PICs disappointed.[26]

The Climate Action Tracker (CAT)[27] an initiative that tracks and rates the effectiveness of climate action of individual countries to assess if the efforts by the respective governments are enough to meet the goals of the Paris agreement, i.e., to limit the warming well below 2°C, and pursuing efforts to limit warming to 1.5°C, also provides discouraging figures with respect to the three countries (Australia, New Zealand, and the USA). The observations for each of the three countries are given below.

Table 1: Australia[28]

Indicators	Ratings	If all countries followed Australia's Approach
Policies and Actions	Insufficient	Current policies are consistent with >3° C warming by 2100
NDCs (Domestic Targets)	Insufficient	Current NDCs will lead to >2° C & up to 3° C of warming by 2100
Fair Share Target [28]	Highly Insufficient	Warming could reach over 3° C and up to 4° C if all countries follow Australia's approach
Climate Finance	Critically Insufficient	Low & not in line with the fair approach to meeting Paris commitment of 1.5° C
Overall	Highly Insufficient	Australia's climate policies & commitments are not Paris Agreement compatible Consistent with warming 4° C if all countries followed a similar approach

Source: CAT Australia

24 Megan Rowling, "John Kerry puts U.S. weight behind Green Climate Fund,", Thomas Reuters Foundation News, 20 April 2021, https://news.trust.org/item/20210420193111-tpfcl

25 Climate Home News, "Australia won't give money to Green Climate Fund, says PM,", 8 Oct 2018, Australia won't give money to Green Climate Fund, says PM (climatechangenews.com)

26 Nicole Hasham, "Poor nations castigate Australia for abandoning global climate fund,", 24 October 2018, Poor nations castigate Australia for abandoning global climate fund (smh.com.au)

27 Climate Action Tracker, https://climateactiontracker.org/countries/

28 Fair Share Target: This element of the rating evaluates the level of effort of a government's target or policies against what could be considered a "fair share" contribution to the global effort in reducing greenhouse gas emissions.

Table 2: New Zealand

Indicators	Ratings	What if all countries adopted New Zealand's approach
Policies and Actions	Highly Insufficient	Warming could exceed 3° C and reach up to 4° C by 2100
NDCs (Domestic Targets)	Insufficient	Warming could exceed 2° C and reach up to 3° C by 2100
Fair Share Target	Critically Insufficient	Warming could exceed 4° C by 2100
Climate Finance	Highly Insufficient	Very low compared to fair share Needs to reduce investments in fossil fuels
Overall	Highly Insufficient	Warming could reach up to 4°C by 2100

Source: CAT New Zealand

Table 3: USA

Indicators	Ratings	What if all countries adopted USA's approach
Policies and Actions	Insufficient	Consistent with warming over 2° C & up to 3° C by 2100
NDCs (Domestic Targets)	Almost Sufficient	Consistent with limiting warming up to 2° C but not well below by 2100
Fair Share Target	Insufficient	Warming would reach up to 3° C by 2100
Climate Finance	Critically Insufficient	Very low compared to its fair share
Overall	Insufficient	Warming up to 3° C by 2100

Source: CAT USA

The dismal record of each of these countries has alienated the PICs and the latter have made their exasperation with these countries, especially Australia and the U.S., public in this regard. Australia's reluctance to give up its dependence on coal, both in terms of domestic consumption and exports, has irked the Pacific states. At the 2019 PIF Summit held in Tuvalu, the PICs accused Australia of prioritizing 'coal' over the region's existence after the latter's reluctance resulted in failure to reach an agreement on the Tuvalu declaration that called for rapid phase-out of coal.[29] Several Pacific leaders expressed disappointment over Australia letting down the

29 Erin Handley, "Australia accused of putting coal before Pacific 'family' as region calls for climate change action,", ABC News, 16 August 2019, Australia accused of putting coal before Pacific 'family' as region calls for climate change action - ABC News

Pacific family. Tuvalu's PM, Enele Sopoaga describing his exchange with the Australian PM Scott Morrison, said to him, *"You are concerned about saving your economy in Australia…I am concerned about saving my people in Tuvalu"*.[30] Furthermore, Australia's reluctance to set a net-zero emission target by 2050[31] and refusal to ambitiously increase its original emissions target (NDCs) for 2030[32] has also enraged the Pacific countries.

America's withdrawal from the 2015 Paris Climate Accord under the Trump administration too came as a disappointment for the PICs. Given that the U.S. is not only the world's second-largest Greenhouse gas emitter[33] but also claims to be the region's primary net security provider, the withdrawal was akin to a betrayal. The PICs accused America of being selfish. The then PM of Tuvalu, one of the most vulnerable even among PICs (island state's highest point above sea level is just 4.5m[34]), in an interview to NZ radio, said, *"I think this is very destructive, obstructive statement from a leader of perhaps the biggest polluter on earth and we are very disappointed as a small island country already suffering the effects of climate change."*[35] A note Tong, former President of Kiribati, which is one of the Micronesian countries that has been traditionally closer to the U.S.,

30 Erin Handley, "Australia accused of putting coal before Pacific 'family' as region calls for climate change action,", ABC News, 16 August 2019, Australia accused of putting coal before Pacific 'family' as region calls for climate change action - ABC News

31 Colin Packham and Sonali Paul, "Australia shies from backing net zero by 2050 ahead of Biden Climate Summit,", Reuters, 20 April 2021, Australia shies from backing net zero by 2050 ahead of Biden climate summit | Reuters

32 Katherine Murphy, Adam Morton, "Scott Morrison refuses to budge on Climate Target as Biden pledges to halve US emissions by 2030," The Guardian, 22 April 2021, https://www.theguardian.com/australia-news/2021/apr/22/scott-morrison-refuses-to-budge-on-climate-target-as-biden-pledges-to-halve-us-emissions-by-2030

33 Johannes Friedrich, Mengpin Ge and Andrew Pickens, "This Interactive Chart Shows Changes in the World's Top 10 Emitters," World Resources Institute, 10 December 2020, https://www.wri.org/insights/interactive-chart-shows-changes-worlds-top-10-emitters

34 BBC, "Tuvalu Country Profile,", 26 February 2018, https://www.bbc.com/news/world-asia-pacific-16340072

35 Greg Colton, "US exit from Paris deal marks end of influence in South Pacific,", NIKKEI Asia, 08 June 2017, https://asia.nikkei.com/Politics/US-exit-from-Paris-deal-marks-end-of-influence-in-South-Pacific2

said, *"It is pretty selfish, I think there is no other way to explain that."*[36]

China on the other hand has shown promise (or at least maintained a pretence) to step up its climate action programme and assistance to the Pacific Island Countries to deal with the climate change. More significantly, China, in contrast to the traditional powers in the region, has sought to make cooperation on climate change the foundational basis of China-PIC relations. Climate change has thus acquired increasing significance in successive 'China-Pacific Islands Economic Development and Cooperation Forum'. At the third forum hosted by China in 2019, climate change and sustainable development was one of the primary agenda.[37]

In his detailed assessment for Department for Pacific Affairs, Denghua Zhang, in his shows that:

> China has contributed to PICs climate concerns through three major routes: donations and climate change mitigation related materials (Tonga Fiji Samoa); constructing climate change-related infrastructure (Fiji, PNG and Samoa; and capacity training through scholarships and short-term training programs (Samoa, PNG and Fiji). Further, Tonga, Fiji, PNG, and Samoa have been the biggest beneficiaries of Chinese efforts in the region. [38]

It is in this context that PICs view China's arrival (or keenness to carve an outsize role) in the region as favourable and legitimate for two reasons. Firstly, China's advent offers them the leverage they lack vis-à-vis the

36 Greg Colton, "US exit from Paris deal marks end of influence in South Pacific,", NIKKEI Asia, 08 June 2017, https://asia.nikkei.com/Politics/US-exit-from-Paris-deal-marks-end-of-influence-in-South-Pacific2

37 Dame Meg Taylor, "Remarks by Secretary General at the 3rd China-Pacific Island Countries Economic Development and Cooperation Forum,",Remarks by the Secretary General, Dame Meg Taylor, at the 3rd China – Pacific Island Countries Economic Development and Cooperation Forum – Forum Sec

38 Denghua Zhang, "Assessing China's Climate Change Aid to the Pacific,", Department of Pacific Affairs, March 2020, dpa.bellschool.anu.edu.au/sites/default/files/publications/attachments/2020-02/dpa_in_brief_2020_3_zhang_final.pdf

ANZUS in climate negotiations to coerce the ANZUS into taking PICs' concerns seriously. And secondly, China's willingness to expand its footprint in the region offers the PICs leverage to urge China to undertake ambitious climate actions. While China naturally earns a priority in PICs outreach and engagement given it is the largest GHGs emitter in the world, this fault between the PICs and the traditional powers and China's eagerness to gain a foothold in the region gives PICs some chips to bargain with China.

Solomon Islands' Prime Minister's Chief of Staff Robson Tana Djokovic, along with economic scholar Samson Viulu, told NPR that besides economic reasons, China's capacity to mitigate climate change-related effects both globally and locally in the region (through investments) was a significant factor in determining their diplomatic switch away from Taiwan.[39] Another official from the Solomon Islands also stated that there is a feeling among the Pacific Island Countries that their concerns are unheard and unrecognized because they do not enjoy any economic weight. Therefore, they have turned to China, hoping that cooperation with Beijing will bring economic development as well as resources to manage and mitigate the impact of global warming in the region.[40]

China, aware of its limitation in acquiring a traditional security role in the region, has prioritised the region-specific concern, which in turn has allowed its presence to be viewed as essential and legitimate. This has eliminated the hurdles to China's entry into the region which otherwise would have been difficult given the geostrategic complexities associated with traditional security concerns. Even if China efforts are a façade, the Pacific states might still be appreciative of China's entry for the reason mentioned above.

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39 Ashley Westerman, "Some Pacific Island Nations Are Turning To China. Climate Change Is A Factor," NPR, 23 November 2019, https://www.npr.org/2019/11/23/775986892/some-pacific-island-nations-are-turning-to-china-climate-change-is-a-factor

40 Jonathan Barrett, "Solomons task force recommends switch from Taiwan to Beijing," Reuters, 13 September 2019, https://www.reuters.com/article/us-pacific-china-solomonislands/solomons-task-force-recommends-switch-from-taiwan-to-beijing-idUSKCN1VY0HY

Inadequate Aid: Falling Aid Support to the Region

The Pacific Islands is among the most aid-dependent regions in the world. Their remoteness and smallness along with their minuscule population create specific economic and developmental challenges for them. Their inability to mobilise resources to fuel their economy and development has meant that on a per capita basis, Official Developmental Assistance (ODA) is highest in the Pacific as "10 Pacific Island Countries are among the 25 countries where ODA is highest as a proportion of national income".[41] However, despite in receipt of huge aid, the Asian Bank Development (ADB) estimates that the region faces a huge financing gap to the tune of 6.2 per cent of the GDP every year, the highest among any sub-region of Asia Pacific. [42] Consequently, aid assistance is a primary determinant of the relative influence of an external player in the region.

Traditionally, Australia, New Zealand, the U.S and Japan have been major donors to the region; Australia and New Zealand still account for around 55% of the aid assistance to the region.[43] However, in the past decade, the aid by these major donors to the region has substantially declined. The Pacific Aid Map reveals that between 2011 and 2016, aid in the region saw a decline of 20 per cent.[44] Below is a table that shows aid contributions by four major players in the region.

41 Matthew Dornan and Jonathan Pryke, "Foreign Aid to the Pacific: Trends and Developments in the Twenty-First Century", Asia & The Pacific Policy Studies, Australian National University, 18 July 2017, https://onlinelibrary.wiley.com/doi/10.1002/app5.185

42 Roland Rajah, Alexandre Dayant, Jonathan Pryke, "OCEAN OF DEBT? BELT AND ROAD AND DEBT DIPLOMACY IN THE PACIFIC,", Lowy Institute, 21 October 2019, https://www.lowyinstitute.org/publications/ocean-debt-belt-and-road-and-debt-diplomacy-pacific

43 Lowy Institute, "Pacific Aid Map," 2019, https://pacificaidmap.lowyinstitute.org/

44 Lowy Institute, "Pacific Aid Map," 2019, https://pacificaidmap.lowyinstitute.org/
* China's aid to the region technically does not fall under the category of ODA as defined by OECD

Table 4: Total ODA (loan and grant) to the Pacific by Countries [in USD] rounded figures millions

Year	Australia	New Zealand	USA	China*
2009	702.7	116.4	215.9	63.5
2010	921.3	144.5	117.3	94.8
2011	1,213.3	168.4	233.4	116.8
2012	1,144.8	197.1	205.4	126.6
2013	1,003.9	183.7	216.3	177.1
2014	972.1	231.3	181.4	199.8
2015	922.5	204.3	130.5	233.9
2016	809.8	201.1	66.1	287.3
2017	861.4	193.5	157.8	229.1
2018	920.7	265.3	186.3	246.4
2019	864.5	253.9	140	169.5

Source: Pacific Aid Map 2019

It is evident from the above table that aid (grant and loan) assistance from the Australia and the U.S. has witnessed a substantial decline. For a region that is so direly dependent on aid for its sustenance, a decline of this scale is fatal. This decline would appear much more severe if it is adjusted to constant prices.

It is important to note here that the U.S.' declining assistance to the region in the above table deliberately does not take into account the 'economic assistance' that it provides to the three Freely Associated States (FAS) under the COFA as it is a commitment made under a mutually beneficial treaty wherein U.S. provides this assistance as a quid pro quo for U.S.' military bases in the three FAS. And thus, this assistance cannot be regarded as an independent contribution to the region. Furthermore, U.S.' assistance under the COFA does not even extend to entire Micronesian region, let alone Polynesia and Melanesia. A paper submitted to the US Congress admits that U.S. aid in the region is largely concentrated among the FAS.[45] Lastly, even if U.S.' assistance under COFA is added to its pool of ODA, the numbers are insufficient given America's capacity and the region's requirement. For instance, U.S.' total cumulative aid to the Pacific countries inclusive of 'economic assistance' and other aids (IMET, ESF etc.) during FY2016 stood at 235.736 million dollars against China's $

45 Thomas Lum, Bruce Vaughn, "The Pacific Islands: Policy Issues,", Congressional Research Service, 02 February 2017

287 million in the same year.[46] Besides COFA has its own set of issues and challenges which is beyond the scope of this paper.

It is in this backdrop that China has gradually become one of the largest donors in the region. Contrary to the three regional powers, Pacific Aid Map shows that China's aid assistance to the region has seen a consistent rise between the years 2009-2018 (the year 2019 saw a decline from each of the donor countries). It further shows that China's aid to the region between 2006 and 2017 stood at $1.5 billion, and between 2011 and 2018, it became the second-largest aid donor in the region behind Australia, eclipsing New Zealand for a brief period.[47] Besides, China has also emerged as the largest bilateral lender to the region, i.e., no other country lends as much as China does to the region.[48] China's deep pockets and large forex reserves allow it to engage in successful chequebook diplomacy (or briefcase diplomacy) with these island states. Although Australia's aid assistance is significantly larger, China has managed to overtake America[49] and attain parity with New Zealand in terms of aid assistance to the region. The trio's cumulative retreat in aid assistance to the region has allowed China to emerge as a major donor.

In this regard, an analysis by Lowy Institute[50] is immensely important. It shows that China has raised its investment in the wake of stagnated Australian budgetary aid to the region. It provides

> The analysis notes six of the total pacific states are debtors to China. The outstanding debt that each of these countries owes to China as a percentage of total external loans is:

46 U.S. Department of State, *Congressional Budget Justification, Foreign Operations, FY2017*; U.S. Departmentof the Interior, Office of Insular Affairs, FY2017 Budget Justification; USAID, *Foreign Aid Explorer*

47 Lowy Institute, "Pacific Aid Map," 2019, https://pacificaidmap.lowyinstitute.org/

48 Lowy Institute, "Pacific Aid Map," 2018, https://pacificaidmap.lowyinstitute.org/

49 In accounting US' aid (ODA) to the region, economic assistance as part of the COFA

50 Roland Rajah, Alexandre Dayant, Jonathan Pryke," Ocean of Debt? Belt And Road And Debt Diplomacy In The Pacific" Lowy Institute, 21 October 2019, https://www.lowyinstitute.org/publications/ocean-debt-belt-and-road-and-debt-diplomacy-pacific#sec41171

> Tonga 56.5%, Samoa 39.5%; Vanuatu 32.3%; Cook Island 22.9%; Fiji 10%; and PNG 7.4%.
>
> China is also the single largest creditor in Tonga, Samoa, and Vanuatu. As a percentage of their GDP, Tonga (26.7%), Samoa (19.9%) and Vanuatu (17.7%) are among the most indebted countries to China.
>
> These figures are significant because China was the largest bilateral lender to the region in 2007-2017 accounting for around 37% of all the official sector loans. In 2011–2018, China made official loan commitments totalling US$6 billion (about 21 per cent of regional GDP).

Another issue that the PICs face with respect to the aid assistance programme by the traditional major donors is its effectiveness. The Paris Declaration had outlined certain best practices for aid management and delivery which were also accepted as part of PIF's Compact on Aid Effectiveness (or Cairns Compact). Dornan and Pryke (2017)[51] in their paper 'Foreign Aid to the Pacific' have made the following observations w.r.t. aid effectiveness in Oceania:

> *Despite having witnessed an increase in ODA to the Pacific since 2000, the rise has only been a little less than one-third of the previous levels which is modest when compared to other developing regions and sub-Saharan Africa where aid increased by 130%*
>
> *Against the targetted 66% of aid through programme-based approach (as per the Paris Declaration), only 32% of ODA was provided as part of the programme-based approach in 2017.*
>
> *Aid volatility (increased in the last decade) & Aid predictability (lack of it) is a problem in the Pacific as it affects the ability of the government to plan expenditure and makes countries more prone to external shocks.*

51 Matthew Dornan and Jonathan Pryke, "Foreign Aid to the Pacific: Trends and Developments in the Twenty-First Century", Asia & The Pacific Policy Studies, Australian National University, 18 July 2017, https://onlinelibrary.wiley.com/doi/10.1002/app5.185

Helen Hughes (2003) claimed that 'Aid has failed the Pacific' because it has disincentivized the private sector and other productive forces and inducing a rent-seeking culture and thereby impacting employment and economic growth.[52] Later in 2010, he reiterated his earlier claim saying that Australian aid policy in the region has been a failure in that they have been ineffective and inefficient and that Australian aid "has been a key component of Pacific's decline".[53] Further, the fact that Chinese aid and assistance are mostly geared towards big infrastructure projects that also create job and employment opportunities as against the Australian aid that are majorly developmental in nature, i.e., directed towards education, health, governance, etc., also inclines the Pacific states towards Chinese investment.

PICs' receptive and favourable view of Chinese aid assistance should be assessed in this context as well. They have viewed China's arrival as an opportunity to close the aid gap that exists in the region both in quantitative and qualitative terms. Further, the efficiency of Chinese projects and investments has also pleased the island states. In an analysis by Lowy Institute, its authors have referred to a senior official telling them in confidence that *"We like China because they bring the red flags and not the red tape"*.[54] The fact that nine Pacific states have joined BRI till now[55] indicates the rising popularity and inclination among Pacific states for Chinese aid and investments. It is surely a reflection of the fact that so far, aid assistance has not been sufficient and effective in the most aid-dependent region of the world.

52 Helen Hughes, "Aid has failed the Pacific," Centre for Independent Studies, 07 May 2003

53 Helen Hughes, "Aid has failed the Pacific (Pacific 2010 Revisited)," Pacific Economic Bulletin Volume 25 Number 3 © 2010 The Australian National University, https://openresearch-repository.anu.edu.au/bitstream/1885/157973/1/253_Hughes.pdf

54 Matthew Dornan and Jonathan Pryke, "Foreign Aid to the Pacific: Trends and Developments in the Twenty-First Century", Asia & The Pacific Policy Studies, Australian National University, 18 July 2017, https://onlinelibrary.wiley.com/doi/10.1002/app5.185

55 Green Belt And Road Initiative Centre, https://green-bri.org/countries-of-the-belt-and-road-initiative-bri/

The perceived indifference and disregard on the part of traditional regional players w.r.t both climate action and developmental assistance has accelerated the movement of Pacific states towards China. While China has not yet occupied the space vacated by ANZUS in terms of climate action and aid assistance, the traditional powers have made themselves vulnerable to China's increasingly influential role in the region by remaining apathetic to the concerns of the PICs. This situation effectively has given rise to a situation wherein both PICs and China sense an opportunity. While the PICs hope to intensify the great power competition in the region by inviting China and thus playing the two parties to get both to commit ambitiously towards climate action and economic development of the region, China, on the other hand, is seeking to capitalize on the differences between the ANZUS and the PICs to carve a larger role in Oceania. China's entry is thus attributed to the growing synergy between Pacific states' unique requirements and China's capability to complement the latter's unique necessities w.r.t. climate action and aid assistance in the backdrop of the lackadaisical approach of the ANZUS allies.

Intra-Alliance Competition

The two factors discussed above have divided Oceania along the lines of ANZUS vs PICs. This third factor has, however, compounded the problem in the region by complicating the division that cross-cuts PIF membership and ANZUS allies. Despite being united by their shared concerns and will to fight for survival together, there exists a deep North-South divide *[Northern Pacific states (Micronesia) and Southern Pacific States (Melanesia and Polynesia)]* within the PICs as well that is created and accentuated by the faulty policies of the regional powers, especially Australia and New Zealand. And PIF has usually been the platform where these differences have mostly cropped up.

The most recent difference which eventually led to a fracture within the PIF (and the PICs) surfaced over the election of the new Secretary-General of the PIF in Feb 2021. Since its inception in 1971, PIF has had only one Secretary-General from the Micronesian region; the rest all have belonged to either Polynesia or Melanesia. As a corrective measure, an

informal 'Gentleman Agreement' was concluded among the PIF members that provided that the seat of Secretary-General would be rotated among the three regions: Melanesia, Polynesia, and Micronesia.[56] As per the agreement, it was Micronesia's turn this time. Consequently, in Oct 2020, the Micronesian countries at the 20th Micronesian Presidents' Summit put up their candidate, Gerald Zackios, for the next Secretary-General of the PIF, and gave an ultimatum declaring that they would terminate their membership from the forum if their preferred candidate was not appointed as the next SG of the forum.[57] However, as it turned out, the Micronesian candidate, Gerald Zackios lost to his rival candidate Henry Puna (Cook Island, Polynesia) by nine votes to eight.[58] Anguished by the result, the five Micronesian states terminated their membership from the PIF as a mark of protest against the alleged violation of the 'Gentlemen Agreement'.[59] Palau's President Surangel Whipps Jr. after the loss of Micronesian candidate, in his press conference, said, *"if we want to bring the Pacific together... let's treat everyone equally"*[60] Nauru's President, Lionel Aingimea, said, *"Micronesian countries were treated with total disregard."* This perceived institutionalization of discrimination has been a source of discord between the Northern Pacific States of Micronesia and the South Pacific States. However, this episode has crystallised the already existing fault lines within the PICs.

To further compound the problem, the North Pacific states believe and accuse that this discrimination is perpetuated by the two regional heavyweights, claiming that Australia and New Zealand have traditionally

56 The Government of Republic of Nauru, "Media Release: Nauru formally submits denunciation from Forum,", 9 Apr 2021, http://naurugov.nr/government-information-office/media-release/nauru-formally-submits-denunciation-from-forum.aspx

57 Giff Johnson, "Micro ultimatum on Zackios," The Marshall Islands Journal, 8 October 2020, https://marshallislandsjournal.com/micro-ultimatum-on-zackios/

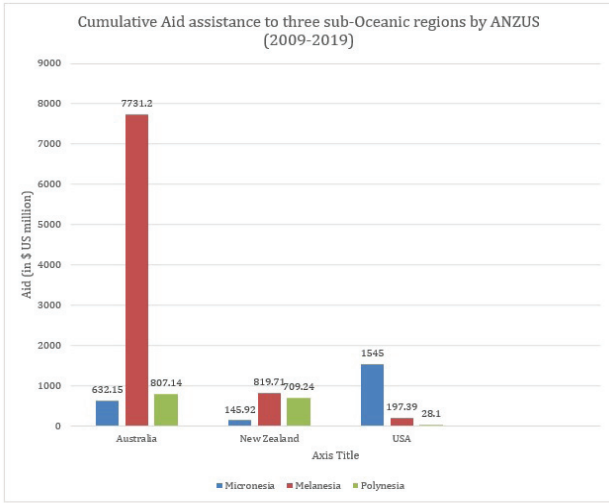
58 Stephen Howes, Sadhana Sen, "Who blew up the Forum?,", 5 March 2021, https://devpolicy.org/who-blew-up-the-forum-20210305/

59 Cleo Pascal, "How the Pacific Island Forum Fell Apart," The Diplomat, 10 February 2021, https://thediplomat.com/2021/02/how-the-pacific-islands-forum-fell-apart/

60 PNCC Live, "Weekly Presidential Press Conference," YouTube, 10 February 2021, Press Conference 2.10.21 - YouTubePress Conference 2.10.21 - YouTube

favoured the Southern Island states over them. The Micronesian states said the recent election outcomes were a reflection and confirmation of this belief. Whipps was quoted saying, *"They pushed a vote and now there is a split. Really the two major players in this are Australia and New Zealand and if those two didn't vote, Micronesia would have won."*[61] The favouritism becomes increasingly visible when an analysis of aid assistance to the region by the two countries is undertaken. The Pacific Aid Map 2019 shows that the majority of Australia's and New Zealand's aid have disproportionately been directed towards the southern Pacific states.[62] Stressing this point, Whipp further in his press conference said, *"We were talking about COVID, for example, and Australian assistance to the Pacific, and clearly, when it comes to assistance, it's focussed on the South Pacific"*[63]. The relative bias on the part of ANZUS members while disbursing aid becomes apparent on reading the following table.

Figure 1



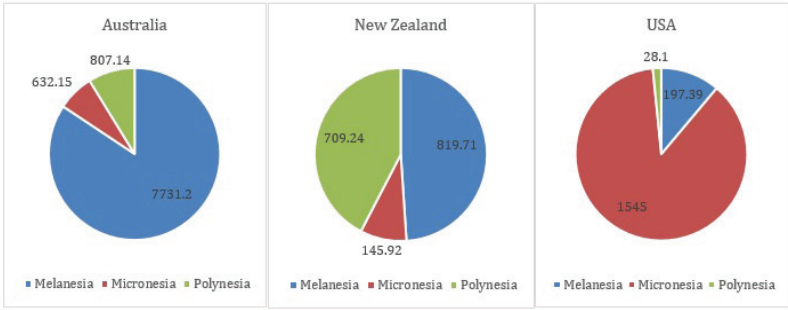
Source: Pacific Aid Map (data compiled by the author)

61 The Guardian, "Future of Pacific Islands Forum in doubt as Palau walks out," 05 February 2021, Future of Pacific Islands Forum in doubt as Palau walks out | Pacific Islands Forum | The Guardian

62 Lowy Institute, "Pacific Aid Map,", 2019, https://pacificaidmap.lowyinstitute.org/

63 PNCC Live, "Weekly Presidential Press Conference," YouTube, 10 February 2021, Press Conference 2.10.21 - YouTubePress Conference 2.10.21 - YouTube

Figure 2. ANZUS aid to the three sub-regions by proportion:



Source: Pacific Aid Map (data compiled by the author)

This step-brotherly behaviour against the Micronesian states draws its legitimacy from the perceived 'division of the sphere of influence' or 'division of responsibility' among the ANZUS allies. While the US has historically been closer to Micronesia (evident in its closer military cooperation with the three Micronesian countries and the aid assistance), Australia and New Zealand have historically, culturally, and politically identified themselves with Melanesia and Polynesia respectively.[64] This explains disproportionately overwhelming aid support to the southern states by Australia and New Zealand (more than 90% of their total aid assistance to the region goes to the southern states). France too has two overseas territories in the region – one in Melanesia (New Caledonia) and one in Polynesia (French Polynesia) – both became members of the PIF in 2016. For this reason, probably, France too might be inclined to associate itself to the Southern Pacific region and therefore, may be more aligned to Australia-New Zealand's perception in so far as this region is concerned. US' lackadaisical response to this narrative pushed by Australia and New Zealand and to Oceania's intra-regional political issues is possibly responsible for driving the wedge in the region. Cleo Pascal (2021) notes that Australia and New Zealand are concerned that U.S. might gain an oversized influence in the region through Melanesia that would eventually dilute their influence in their own backyard, and thus there appears

64 Katharine Woolrych and John Fraenkel, "NZ and Australia: Big Brothers or Distant Cousins?," The Interpreter, Lowy Institute, 1 August 2018, https://www.lowyinstitute.org/the-interpreter/nz-and-australia-big-brothers-or-distant-cousins

an effort to undermine the Northern States.[65] The fact that US overseas territories like Guam, Northern Mariana and American Samoa have not been granted membership in the PIF while French territories in Melanesia and Polynesia were awarded membership generates such suspicion.

Further, to the amusement of the Micronesian countries, the U.S. has largely remained unresponsive to the institutional discrimination against the Micronesian states in the PIF. While the northern states have so far suppressed their emotions on US' passivity on the issue, US' failure to stand up to its allies is bound to create frictions between itself and the Micronesian states. The deliberate marginalization by Australia and New Zealand and subsequent U.S.' indifference has left the Micronesian states aggrieved. In short, Micronesian states are the unfortunate victim of the intra-alliance rivalry and consequent north-south divide in Oceania. This leaves the region vulnerable to foreign influence and thus, creates an opportunity for China to make inroads, especially in Micronesia. Aghast by the relegation, the Micronesian countries might feel incentivized to drift towards China. Kiribati, a Micronesian country already appears to be drifting towards China. Not only it shifted allegiance to China over Taiwan but it also re-elected its pro-Chinese sitting President, Taneti Maamau, for another term in 2020.[66] The entire election campaign was run on the China-Taiwan issue and the election of Taneti, who won in 16 of the 23 island constituencies, seems to have settled the question for now in Kiribati. It is interesting that Kiribati (a Micronesian country) also hosts China's only offshore satellite tracking station.[67] In another Micronesian country, the Marshall Island, China has become an election issue as the

65 Cleo Pascal, "How the Pacific Island Forum Fell Apart," The Diplomat, 10 February 2021, https://thediplomat.com/2021/02/how-the-pacific-islands-forum-fell-apart/

66 Jonathan Barrett, "Kiribati's pro-China leader wins re-election in blow to Taiwan,", Reuters, 23 June 2020, https://www.reuters.com/article/us-china-kiribati-idUSKBN23U038

67 Richard K. Pruett, "A United States-Kiribati Compact of Free Association would Yield Mutual Dividends,", East-West Center, 05 March 2020, A United States-Kiribati Compact of Free Association would Yield Mutual Dividends | East-West Center | www.eastwestcenter.org

opposition has vowed to closely work with China if it comes to power. [68] This establishes the extent to which China has infiltrated the domestic politics of the Micronesian countries, so much so that it has become an election issue in these countries. These developments become even more significant as the U.S.' COFA with the three Micronesian Countries i.e., Marshal Islands, Federated States of Micronesia and Palau is set to expire in 2024.[69] Realising that the COFA is nearing expiration, China may look to intensify its engagement with the three countries to bolster its cooperation by capitalizing on the U.S.-Micronesia fracture. That the opposition party in Marshall Island has proclaimed its intention to work closely with the PRC *(significant as the Marshall Island has diplomatic relations with Taiwan and China places 'recognition of PRC over Taiwan' as the basic condition for developing bilateral relations)* is encouraging news for China. A friendly government in Marshall Island *(if the opposition comes to power)* may negotiate the renewal of COFA differently with the U.S. This creates yet another opportunity for China to seize. What might encourage China is that the willingness of the Pacific states to flirt with it in search of leverage vis-à-vis the regional powers of Oceania.

On the other hand, China's competing influence in the southern pacific states is equally concerning to Australia and New Zealand. The majority of China's aid to the region is directed at the Southern states of Oceania. China's top five aid recipients for 2018 were Papua New Guinea, Samoa, Fiji, Vanuatu & the Cook Islands – all South Pacific nations.[70] With Solomon Island's diplomatic switch, the fact that now only one country among the Southern states recognizes Taiwan should be construed as a sign of growing Chinese affinity in the region. Another instance that should worry the traditional powers in the region was PNG's decision to go ahead with the deal with Huawei to build a national network despite

68 Meaghan Tobin, "Why Taiwan, U.S. and China are watching Marshall Islands vote count,"The South China Morning Post, 26 Nov 2019, https://www.scmp.com/week-asia/explained/article/3039299/why-taiwan-washington-and-beijing-are-watching-marshall-islands

69 Approval of U.S.-FSM Compact of Free Association and the U.S.-RMI Compact of Free Association, 48 U.S.C. § 1921 (2006).; Extension of Compact of Free Association to Palau, 48 U.S.C. § 1932 (2012).

70 Lowy Institute, "Pacific Aid Map," 2018, https://pacificaidmap.lowyinstitute.org/

reservations in Australia[71] and a counteroffer jointly made by Australia, Japan and the U.S.[72]

Conclusion

The paper thus brings out the existence of multiple divisions that cross-cuts the Oceania that has so far allowed China's entry into the region to appear necessary and legitimate. These three broad divisions that exist in the region are:

a) **ANZUS-PICs division:** along the issues of climate inaction and falling aid assistance to the region.

b) **North-South division:** motivated by hidden concerns of Australia and New Zealand regarding the U.S.' oversized influence in the region. The Northern Pacific States blame that Australia and New Zealand have perpetuated bias within the PIF. While it is true that the divisions solidified only in Feb 2021 with the withdrawal of Micronesian states from the PIF but this event was a culmination of years of neglect. The fault lines had been deepening for years and this ultimately resulted first in the Oct 2020 ultimatum and then termination of PIF membership in Feb 2021.

c) **U.S.-Micronesia:** driven by U.S.' lackadaisical response to Micronesia's concern with regard to institutionalized discrimination within the PIF; so far, U.S. has been relatively disinterested in the intra-PIF matters, but shall it begin to take interest in redressing Micronesian concerns, it could impact the ANZUS alliance.

71 Cited in Danielle Cave, 'Australia and Huawei in PNG: More Than Too-Little-Too-Late Diplomacy', The Strategist, Australian Strategic Policy Institute, 27 November 2018, www.aspistrategist.org.au/ australia-and-huawei-in-png-more-than-too-little-too-late-diplomacy/

72 Reuters, 'U.S. to Counter Chinese Internet Bid in Papua New Guinea: Diplomat', 28 September 2018, www.reuters.com/article/us-pacific-debt-huawei-tech/u-s-to-counter-chinese-internet-bid-in-papuanew-guinea-diplomat-idUSKCN1M800X

The paper thus concludes that China's growing influence in Oceania has been a function of multiple divisions that cross-cuts the region that in turn developed as a result of poor strategic foresight of the ANZUS powers. In other words, China's rise in the region could not be a result of its rising political, economic, and diplomatic clout alone as the combined corrosponding power of the ANZUS is exponentially higher than China in this region. However, the divisions created by the withdrawal of the ANZUS allies in effect created a vacuum. Alternatively, the traditional powers ceded the space to China to grow unabated and silently in the region without any resistance.

The constitution of AUKUS (a trilateral security pact between U.S.-UK-Australia to help Australia acquire nuclear-poweredsubmarines) has come as another setback for the region and has further induced fragmentation among the Pacific powers in Oceania, namely the U.S., Australia, and France.[73] France, as mentioned earlier, has two overseas dependencies in the region, one in Melanesia (New Caledonia) and another in Polynesia (French Polynesia). The constitution of AUKUS and unilateral scrapping of the conventional submarine deal (between France and Australia) by Australia is being viewed in France as a deliberate snub, one that is uncalled for among long term allies. That the negotiations leading up to the formation of AUKUS that was to have huge strategic and financial implications for France, were kept secret from it, undermines France's position as an ally. It is significant to note that France, along with the US, Australia, and New Zealand, is a member of the Quadrilateral Defense Coordination Group (a lesser-known Quad). French President Emmanuel Macron described the behaviour as 'unacceptable', 'brutal', and 'stab in the back'.[74] Since this is still an emerging development, the long-term consequences of this decision are difficult to speculate, but it has created an additional fracture between US and Australia on one hand and France

73 John Irish and Colin Packham, David Brunnstrom, Humeyra Pamuk, "In escalation over submarine deal, France recalls envoys from U.S. and Australia", Reuters, 18 September 2021, https://www.reuters.com/world/asia-pacific/australian-pm-says-he-made-clear-france-possibility-scrapping-submarine-deal-2021-09-17/

74 Roger Cohen and Michael D. Shear, "Furious Over Sub Deal, France Recalls Ambassadors to US and Australia," The New York Times, 23 September 2021, https://www.nytimes.com/2021/09/17/world/europe/france-ambassador-recall-us-australia.html

on the other. Its direct implications for China's influence in the region are difficult to gauge but relative unease among the 'Quad' allies will hamper cooperation in Oceania, which in turn might benefit China.

Going ahead, a further deepening of the intra-Oceania divisions must be avoided to disallow China a larger than required role in the region and greater synergy among the western allies and appreciation of the concerns of the Pacific states is recommended as a united Oceania would be better prepared in tackling any unwarranted foreign presence.

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