



Pacific Island nations: Engagements with India and China.

Speaker: Dr. Sriparna Pathak

Chair: Prof. Alka Acharya, Director, ICS

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The Pacific Ocean region is of growing geo-strategic interest for countries such as United States, Australia, New Zealand, Japan, and France. The Pacific Ocean covers 46% of the Earth's total water surface. The region comprises of 41 sovereign states including Taiwan and 22 non-independent territories. Also, the region serves as a bed of untapped natural resources, among many others like gold, silver, copper, petroleum and natural gas. The fourteen Pacific Island countries constitute the Pacific Island Forum (PIF), out of the fourteen, the two larger economies i.e. Australia and New Zealand have been dominant players in the region. Whereas, the other smaller nations of the PIF are open to trade and forging ties with the major powers. In this backdrop Dr. Pathak's presentation focuses on the diplomatic engagements of the two Asian giants India and China in the region, their opportunities and challenges. The presentation draws India's comparison with China, and also addresses India's way forward in order to make a more prominent presence in the region.

The first part of the presentation, discusses China's engagement with the Pacific Island Countries (PIC). The region has been familiar with China's presence in the region in the past, due to the active 'Chequebook diplomacy', as Taiwan also has six allies in the Pacific. It was only 2008, after Ma Yingjeou was elected as the President of Taiwan, a negotiation was reached to no longer engage in overt tactics designed to sway each other's allies. Since then no PIC has switched allegiance. At present China has diplomatic relations with eight of these PIC which are the Cook Islands, Federated States of Micronesia, Fiji, Niue, Papua New Guinea (PNG), Samoa, Tonga, and Vanuatu. In 2006, China decided to step up its engagement in the Pacific by holding the first China- Pacific Island Countries Economic Development and Cooperation Forum, which came with a Chinese promise to increase its

funding in the eight PIC. China ranks as the second largest aid provider right after its traditional donor Australia. From 2006-2014, China has provided USD 1781.2 million to the PIC. Chinese aid helps these countries to build much-needed infrastructure, from the National Medical Centre in Samoa, to water pipes in the Cook Islands, to university dormitories in Goroka, Papua New Guinea. Beijing is simultaneously intensifying its diplomatic relations in the region, by making two high level visits one in 2014 and the other one in 2016. The Speaker mentions that the PIC is content with the Chinese aid as it is like “no- strings attached” policy, in contrast to the strict governance imposed by Australia. The Chinese funds for much needed infrastructure like the roads, bridges, schools and sporting facilities whereas Australian aid programs tends to focus more on economic and political reforms. Between 2000 and 2012, China’s trade with the eight trade countries with whom it has diplomatic ties rose from USD 248 million to USD 1.767 billion, a more than seven fold increase. China has also become an important export market for some of these countries. China has had security ties that can be traced back to 1997, when it built a satellite tracking station in Kiribati, although it was subsequently dismantled after Kiribati switched diplomatic recognition to Taiwan. It is also seeking naval access to the region’s ports and EEZs, it engages in military assistance programs, and is negotiating access to facilities for maintenance and resupply purposes. Current military assistance is limited to the provision of uniforms, non-lethal equipment and refurbishment of barracks for the region’s three defense forces in Fiji, Papua New Guinea and Tonga. Lastly the speaker discusses the reasons for the increased Chinese engagement in the region. The first are the political reasons, China considers itself as a potential hegemonic power in the region, with an ambition to challenge the strategic primacy of the United States and its allies. China also wants to garner the support of Island countries for China’s agenda in the international arena which has fostered the Chinese activities in the region. For example, in 2008, a number of Island nation leaders attended the opening ceremony of the Olympic Games in Beijing when leaders of certain Western countries chose not to do so amid widespread calls in the West for boycotting the event due to China’s human rights issues.

Moreover China’s “go global” strategy since the early 2000s, heightens the demand for overseas resources and markets add further impetus to its Pacific Islands engagement. The region’s rich mineral, timber, fish, and potential seabed resources are all of great interest to China. The Pacific Islands have also emerged as new markets for Chinese products, thus giving China a stake in the economic development of the region. Also, China’s strategic

interest in the region, as it utilizes the bases to support anti-ship missile capabilities. The development of various infrastructure indicates China's strategic preparations for future.

The second part of the presentation highlights India's engagement with the region. India's interaction with the region began as early as 1879. In 1948, after India's independence, India established a 'Commission for the Government of India' in Fiji. In 1973, India donated clothes and medicines to Tonga. Currently India has increased its aid engagement in the region particularly in Papa New Guinea but India has already committed over USD 11 million till 2013. India is not a major trade partner for these countries, except Nauru. The trading partners for these Pacific Islands countries range from geographically close countries such as Australia and New Zealand to as far away as U.K. and Greece. China figures as an important trade partner for almost all of these countries. However, India's recent commitments and efforts in the form of the FIPIC stand out as important in this context. For instance setting up of centers of excellence of IT, small business enterprises to Fiji, 14 Indian visits to the PIC, solar mamas- women trained as engineers in Delhi, 43 women have already been trained in 2013-2014. However India's engagement differs from China's as India also provides non-monetary aid to this region such as construction of sea wall, road and market place improvement, youth centres, computers, software, schools, solar power street lights, atoll community coral and claim project etc. India has high stakes in the region, as all the 14 countries support India's bid for the permanent seat in the UNSC.

The speaker then drew a comparison between China and India. However India's claim to the region appears weak and distant as compared to China's. Other than an estranged diaspora population in Fiji and some recent bilateral links with Fiji and Papa New Guinea, India's involvement has neither been dominant nor consistent. Also, in terms of economic aid or trade linkages it does not stand anywhere close to China. As compared to China, India has very few diplomatic missions in the Pacific Island countries. While China has seven, India has only two.

Last part of the presentation ended on the discussion which looked at India's footing in the region. The presenter emphasized on the implementation aspect, which India must work on. After the first FIPIC summit there has been none so far. India should also build on its strength like the health tourism and building democratic institutions. Most of the economies in the region are based on agriculture, fisheries and small-scale industries and

India's capacity in these sectors is even better than Europe and China. India should open more diplomatic missions in the region.

Discussion:

Questions commenced with enquiring about the perception of the PIC observing the India- China competition. The speaker elucidated that the PIC, did not consider India as a competitor in comparison to China. India does not even rank closer to the highest aid donor countries whereas China is the second largest donor. Further, PIC do not desire to upset their traditional partners as well as their non- traditional partners, therefore they are happy with the aid provided to them by these powerful nations. Moreover, the PIC are content with the Indian aid as most of it largely is non-monetary. Secondly the lack of US presence in the region was also questioned that China was seen as a major player in the region. The speaker states that China has jumped drastically in providing a massive aid to these countries. However, US presence is minimal compared to China's prominence. The speaker mentions that the PIC is pleased to receive Chinese aid as it does not impose any kind of political or economic reforms like Australia. Further she also mentions that she finds expressions and emotions through interview that the likeability towards Indians is more, unfortunately India does not have enormous aids to grant to these countries. The discussion ended with a suggestion to carry the research forward and to examine India's position in the region more closely and to gather feedback about the missions in the region.

Report prepared by Sanghamitra Bora, Research Intern, Institute of Chinese studies.

About the Speaker

Dr. Sriparna Pathak is a Consultant in the Policy Planning and Research Division of the Ministry of External Affairs, New Delhi. She is also a Fellow at the South Asia Democratic Forum, Brussels. She is fluent in English, Hindi, Mandarin, Bengali and Assamese. She has previously worked as an Associate Fellow at Observer Research Foundation in New Delhi and Kolkata respectively. Dr. Pathak got her PhD from Jawaharlal Nehru University, New Delhi and has spent two years in Beijing as an Advanced Research Scholar on a joint scholarship from the Ministry of Human

Resources Development, India and the China Scholarship Council. She has written extensively on China's economy, India- China relations and China's international relations in books, journals, and national dailies.

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