

Open Regionalism and China-Australia Cooperation in the South Pacific Islands Region

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The South Pacific islands region (South Pacific) currently has the highest concentration of underdeveloped nations in the world. Due to geography as well as socio-economic development level, regionalism in the South Pacific features openness. Open regionalism is the basis and prerequisite for the South Pacific island countries to integrate into the economic globalization process, eliminate poverty and achieve sustainable development. As the largest developing country in the world, China has been making efforts within its capabilities to provide assistance to the vast number of South Pacific island countries under the framework of South-South cooperation. China's recent outpouring of development aid to the South Pacific, which is not attached to any specific political strings and is characterized by pragmatic cooperation on the basis of equality and reciprocity, has been widely praised by the governments and peoples of the region. Notwithstanding, it has aroused suspicion, discontent and criticism from Australia, which regards the region as its backyard. Therefore, to deepen its cooperation with the South Pacific island countries and maintain a stable relationship with Australia, it is very important for China to understand accurately the pursuits of the countries and properly handle the development cooperation in the South Pacific between China and Australia.

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Openness of Pacific Islands Regionalism

Unlike traditional regionalism, the Pacific islands region pursues a policy of “open regionalism,” which can be attributed to the following reasons. First, the region is geographically unique. The region usually divided into three cultural sub-regions, namely Melanesia, Polynesia and Micronesia. It is geographically expansive, with most of the island nations in question located on the two sides of the equator within the Pacific Ocean, between 30°S~30°N latitude and 130°E~130°W longitude. The region is not connected with a continent, but North America, Latin America, East Asia and Southeast Asia all have convenient maritime access to the region, which determines the “open,” rather than “closed,” nature of the Pacific islands region. The second factor is geo-economics. The Asia-Pacific is the most economically dynamic and diverse region in the world. The largest three economies in the world are located in this region, and the world’s major markets and most of the world’s population is concentrated here as well. Therefore, it is impossible to exclude the Pacific island countries from the dynamics of the broader region. Third, there is a need for sustained regional economic and social development. The Pacific island countries are currently rated by international organizations, such as the United Nations, as among the least developed countries in the world. These countries have shifted their focus to economic and social development after achieving independence or autonomy. However, due to their small population, weak foundation, shortage of natural resources and frequent natural disasters, they have faced various challenges in the process which are insurmountable to themselves alone. Under such circumstances, apart from a need to further unify intra-regional efforts, they must take active steps to open up to the outside world by introducing foreign investment and engaging in effective bilateral and multilateral cooperation. The openness of Pacific islands’ regionalism is reflected in the following two aspects.

The first is the openness of the Pacific Islands Forum. On August 5, 1971, Fiji, Samoa, Tonga, Nauru, the Cook Islands, Australia and New

Zealand established the South Pacific Forum in Wellington. This marked the starting point from which these Pacific island countries began to manage regional affairs themselves. In October 2000, the South Pacific Forum was officially renamed the Pacific Islands Forum, whose main purpose is to strengthen cooperation and coordination among its members in trade, economic development, aviation, shipping, telecommunications, energy, tourism and education. In 2016, French Polynesia and French New Caledonia joined the Forum, which now has 18 members.

In recent years, the regionalism of the Pacific island countries has become more open to the outside world. First, the Pacific Islands Forum is open to and welcomes different forms of participation of the international community, especially influential countries. In 1989, the Forum decided to invite China, the United States, the United Kingdom, France, Japan and Canada to join the dialogue meeting following its summit, which is regarded as an innovative development in the South Pacific's regionalism. In the years between 1991 and 2007, the Forum accepted the European Union, South Korea, Malaysia, the Philippines, Indonesia, India, Thailand and Italy as dialogue partners. In 2013 and 2014, Cuba, Turkey and Spain also became dialogue partners of the Forum. At the 49th Pacific Islands Forum in September 2018, Tokelau was present at the meeting as an associate member, and East Timor, Wallis and Futuna, the Asian Development Bank, the Commonwealth Secretariat, the United Nations, the Western and Central Pacific Fisheries Commission, the International Organization for Migration and the World Bank attended as observers. All other regional organizations and committees in the Pacific were also represented.¹ A rising number of dialogue partners and observers have made the Pacific Islands Forum a distinctive and increasingly influential organization for regional cooperation.

The second aspect is the development of sub-regionalism. After their independence, the Pacific island countries have had inconsistent policies on political, economic and social development. Despite all being members

1 "Forum Communiqué of the Forty-Ninth Pacific Islands Forum," <https://www.forumsec.org/forty-ninth-pacific-islands-forum-nauru-3rd-6th-September-2018>.

of the Pacific Islands Forum, countries of geographical proximity, closer ethnic and cultural origins, and similar demands for economic and social development are more likely to form sub-regional groupings. To give an example, the Melanesian Spearhead Group is a sub-regional organization comprising the Melanesian countries.²

Some believe that the emergence of sub-regional organizations or sub-regionalism is a sign of decline in the influence of regionalism.³ This may be a rational explanation from the perspective of traditional regionalism, but it is not convincing if considered from the perspective of open regionalism. In a relatively open regional environment or cooperation framework, the emergence of sub-regional organizations or sub-regionalism should not be regarded as a separation from or setback for regionalism, but rather as a supplement or development. Sub-regional organizations or sub-regionalism can make up where regional organizations or regionalism falls short of addressing the concerns of all stakeholders in the region. In fact, the former hardly act on their own and operate without the latter. The Melanesian Spearhead Group countries signed the Partial Scope Agreement on July 22, 1993, which entered into force on January 1, 1994. All members of the Group have participated in the Pacific Island Countries Trade Agreement and the South Pacific Regional Trade and Economic Cooperation Agreement, among other things.

Foundation for China-Australia Cooperation in South Pacific

China and Australia are both influential countries in the Asia-Pacific region and have established a comprehensive strategic partnership, which is an important basis for cooperation between the two countries in the South Pacific region. The need for diversified development in the region and multi-

2 The Melanesian Spearhead Group was first proposed in 1986 by Melanesian countries including Papua New Guinea, Vanuatu and the Solomon Islands. Fiji joined the group as an observer in 1993 and became a full member in 1996. On March 30, 2007, the member states signed the Agreement Establishing the Melanesian Spearhead Group.

3 Matthew Dornan, "Australia and Pacific Islands Regionalism: A Report from ASPI," November 2011, <http://devpolicy.org/australia-and-pacific-islands-regionalism-a-report-from-aspi20111219>.

party collaboration to address challenges in non-traditional security fields calls for China-Australia cooperation in the South Pacific. The South Pacific region's pursuit of open regionalism, the support of both China and Australia for trade and investment liberalization, and the importance both countries attach to developing relations with regional countries, all provide convenient conditions for the two sides to work hand-in-hand in this region.

Necessity for China-Australia cooperation in the South Pacific

First, it is the inherent requirement of China-Australia comprehensive strategic partnership. Since the establishment of diplomatic relations in 1972, China-Australia bilateral relations have achieved great development. China has been Australia's largest trading partner and largest importer of Australian goods for consecutive years. When Chinese President Xi Jinping visited Australia in November 2014, leaders of the two countries agreed to upgrade the bilateral relations to a comprehensive strategic partnership. Xi stated that the Chinese side is willing to, together with the Australian side, "strengthen communication and coordination within multilateral mechanisms such as the United Nations ... and the Pacific Islands Forum, strengthen cooperation in global economic governance, counter-terrorism and other fields, and accelerate the Asia-Pacific FTA process."⁴ Then Foreign Minister of Australia, Julie Bishop, affirmed in a congratulatory letter commemorating the 45th anniversary of the establishment of bilateral diplomatic relations, "The Australia-China bilateral relationship is based on strong economic, trade and investment links, an extensive program of high-level visits and wide-ranging cooperation, and is grounded in our Comprehensive Strategic Partnership."⁵ Chinese State Councilor and Foreign Minister Wang Yi also pointed out at the fifth round of China-Australia Diplomatic and Strategic Dialogue in 2018, "It is hoped that the Australian side will ... meet the Chinese side halfway, and expand exchanges and cooperation

4 "Xi Jinping Holds Talks with Prime Minister Tony Abbott of Australia," November 17, 2014, <http://www.china-embassy.org/eng/zgyw/t1212620.htm>.

5 "Celebrating 45 Years of Australia-China Relations," Australian Department of Foreign Affairs and Trade, November 24, 2017, <https://dfat.gov.au/news/news/Pages/celebrating-45-years-of-australia-china-relations.aspx>.



Chinese President Xi Jinping hosts a collective meeting with leaders from eight Pacific island countries that have diplomatic ties with China on November 16, 2018, before the APEC Economic Leaders' Meeting in Papua New Guinea.

in various fields on the basis of mutual respect, equality and mutual benefit, so as to ensure that the comprehensive strategic partnership between the two countries will be worthy of the name.”⁶ It is easy to see that the China-Australia comprehensive strategic partnership is not only an affirmation of the existing bilateral or multilateral exchanges and cooperation results, but also a plan or guide for future development of their relations. It is the common will of both sides to deepen and expand the scope of bilateral cooperation and strengthen coordination and cooperation in regional and international affairs. Given the increasing attention paid to the South Pacific region by China's diplomatic strategy in the new era and the important role the region plays in Australia's diplomatic strategy, cooperation between the two countries in this region is not only an indispensable part of the comprehensive strategic partnership, but is also in the interests of all parties across the region.

6 “Wang Yi and Foreign Minister Marise Payne of Australia Hold the China-Australia Diplomatic and Strategic Dialogue,” Ministry of Foreign Affairs of China, November 8, 2018, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1612155.shtml.

Second, the diversified development needs of South Pacific island countries have provided impetus for China-Australia cooperation. The industrial structures of South Pacific island countries are mostly simple, with agriculture, fishery and forestry as their main industries. Due to the serious shortage of endogenous momentum, the countries rely heavily on foreign aid. Despite their great efforts in developing national economies since decolonization, these island countries have made limited progress. They need greater assistance from the international community to eliminate poverty. In addition, the need for aid is different from one country to another, and the United States or Australia or China by its own cannot satisfy the needs of all countries. Donor countries may provide assistance within their capacities according to the actual situation of South Pacific island countries while giving play to their own industrial strengths and advantages. Take China for example. With advantages and good experience in agriculture, medical care and infrastructure construction, China is willing to share its successful experience with other developing countries. In recent years, China has operated a good number of aid programs for South Pacific island countries, including sending agriculture experts and technical teams, establishing demonstration farms, building schools and stadiums, and dispatching medical teams. China has also helped these countries with infrastructure projects such as roads, bridges and power stations.⁷ Similarly, Australia has its own advantageous industries and sectors, such as education and training, financial services, and community governance. China focuses its aid projects in the fields of people's basic livelihood, which is a prerequisite for these countries to maintain political stability and sustain their development, while Australia is more concerned with their economic growth, the development of private enterprises, women and children issues, and community governance.⁸

7 Lanuola Tusani Tupufla, "Govt., China Negotiate," *Samoa Observer*, January 26, 2016, p.1; Cheng Jingyu, "China's Aid Benefits the Pacific Island Countries," January 19, 2018, <http://au.china-embassy.org/eng/sghd/t1526942.htm>.

8 "Overview of Australia's Pacific Regional Aid Program," Australian Department of Foreign Affairs and Trade, <https://dfat.gov.au/geo/pacific/development-assistance/Pages/development-assistance-in-the-pacific.aspx>.

Both are essential for the survival and development of South Pacific island countries, which determines that cooperation between China and Australia in the South Pacific is necessary and has practical significance.

Third, China and Australia need to strengthen cooperation in non-traditional security issues of the South Pacific. The South Pacific region is a typical frontier area where the international community meets non-traditional security threats. Threats in the region, such as global warming and transnational crimes, loom large. These problems go beyond the governance capacities of the South Pacific island countries, and therefore it is necessary that other countries, including China and Australia, work together with them.

The first task is to address global climate change. As pointed out in the 2015 UNESCO Science Report: *Toward 2030*, “climate change seems to be the most pressing environmental issue for developing Pacific island countries, as it is already affecting almost all socio-economic sectors. The consequences of climate change can be seen in agriculture, food security, forestry and even in the spread of communicable diseases.”⁹ Climate change is a global phenomenon, and no country is able to deal with it alone. Some small South Pacific island countries are already suffering from the effects of climate change, which to a considerable extent hinders their economic and social development and even threatens their survival. They need the support, especially financial assistance, from the international community to deal with climate change. As a strong supporter of the climate change negotiation process and the Paris Agreement, China is setting an example by making a firm commitment to the international community to substantially reduce emissions. It is also willing to offer financial and technical support to small- and medium-sized countries to cope with climate change. In 2014, President Xi Jinping emphasized the importance of strengthening multilateral coordination when meeting with the leaders of eight Pacific island countries, reiterating that “China will support the island countries dealing with climate change under the framework of South-

9 UNESCO, “Pacific Islands Embracing Greater Regionalism to Accompany Rapid Change,” March 24, 2017, http://www.unesco.org/new/en/media-services/single-view/news/pacific_islands_embracing_greater_regionalism_to_accom.

South cooperation, provide them with materials for energy conservation and environmental protection as well as equipments for renewable energy, and carry out cooperation with them in tsunami warning, sea-level monitoring and other areas.”¹⁰ The South-South Cooperation Climate Change Fund established by China holds US\$3 billion, and China has committed itself to providing 10 low-carbon industrial parks, 100 mitigation and adaption programs, and 1000 climate change training initiatives to developing countries.¹¹ Australia also supports the Paris Agreement and opposes the United States’ unilateral withdrawal from the Agreement.¹² Shortly after taking office, Prime Minister Scott Morrison reiterated Australia’s status as a contracting party to the Paris Agreement and the vital importance of the Agreement for Pacific countries.¹³ Supporting the South Pacific island countries to address climate change is of great significance to Australia, as climate change may result in a large number of environmental refugees in this region and then affect regional stability and security, which is a potential threat to Australia’s national interests. Therefore China and Australia share a common vision in maintaining global climate stability and helping South Pacific island countries cope with challenges brought by climate change.

The second is to fight against transnational crimes. Sea routes are easy passages for transnational crimes. In recent years, international criminal groups have been using remote and resource-poor South Pacific islands to traffic drugs. In early August 2017, the French Navy seized 1.46 tons of cocaine on a yacht sailing from South America to Australia in the South Pacific.¹⁴ Transnational crimes of various forms have threatened Australia’s national interests and have also jeopardized the political governance of South Pacific island countries, such

10 “Xi Jinping Holds Group Meeting with Leaders of Pacific Island Countries and Delivers a Keynote Speech,” November 22, 2014, <http://www.china-embassy.org/eng/zgyw/t1214281.htm>.

11 Lucie Greenwood, “Working with China on Pacific Climate Change,” *The Interpreter*, August 15, 2018, <https://www.lowyinstitute.org/the-interpreter/working-china-pacific-climate-change>.

12 “Chapter Six: Climate Change,” *Australian 2017 Foreign Policy White Paper*, <https://www.fpwhitepaper.gov.au/foreign-policy-white-paper/chapter-six-global-cooperation/climate-change>.

13 Ben Packham, “Move to Head off China with Australian Bases in P.N.G.,” *Samoa Observer*, September 21, 2018, p.20.

14 “Australia and New Zealand Work Together to Strengthen Security of Pacific Island Countries,” *Lianhe Zaobao*, <http://www.zaobao.com/news/world/story20170909-793797>.

as breeding corruption and impeding good governance. Given the situation, the Australian 2017 Foreign Policy White Paper addresses the necessity and effectiveness of international cooperation to combat transnational crimes, including the importance of technical cooperation in detecting drug crimes. The White Paper also mentions in particular the importance of legal and judicial bilateral cooperation with relevant countries, including China, to fight against serious criminal threats to Australia.¹⁵

In addition, in combating regional terrorism and piracy to secure the Pacific Ocean sea lanes, China and Australia may cooperate on information exchanges, counter-terrorism and joint anti-piracy exercises, working together to safeguard maritime transport corridors in the Pacific.¹⁶ This is not only in the interests of China and Australia, but also beneficial to peace and security in the region.

Feasibility of China-Australia cooperation in the South Pacific

First, “open regionalism” provides space and opportunities for China-Australia cooperation. The concept of open regionalism is a strategic choice made by South Pacific island countries based on their own historical culture, realistic environment and visions for future development. This concept has won more opportunities for cooperation and development for these countries, and provided space for cooperation with other countries. From a practical point of view, in spite of small economic sizes and being far away from the world’s major markets, which incurs high transport costs, these island countries are open to other economies and seeking for cooperation opportunities. The cooperation of Papua New Guinea and China under the framework of the Belt and Road Initiative is a good example. Peter O’Neill, Prime Minister of Papua New Guinea, has spoken of the importance of cooperation with China. “That is a great potential for Papua New Guinea, which means that

15 “Chapter Five: Tackling Transnational Organized Crime,” *Australian 2017 Foreign Policy White Paper*, <https://www.fpwhitepaper.gov.au/foreign-policy-white-paper/chapter-five-keeping-australia-and-australians-safe-secure-and-free-1>.

16 Wang Shiming, “An Important Work of Oceania Studies: Preface to *China-US Cooperation in the South Pacific: A Perspective from Safeguarding Maritime Strategic Passages*,” *Journal of Suzhou Science and Technology University (Social Science Edition)*, No.4, 2018, pp.103-106.

this will help integrate our own economy to the global economy ... The rest of the world is making business with China and we cannot simply sit back and allow these opportunities to go by.”¹⁷ Papua New Guinea was under Australia’s trusteeship for a long time and has maintained close ties with Australia after independence.¹⁸ This special relationship has benefited Papua New Guinea a lot, as more than half of Australia’s aid to Pacific island countries goes to the country.¹⁹ In this context, Papua New Guinea’s strong interest in cooperation with China under the Belt and Road Initiative creates opportunities for third-party cooperation between China and Australia.

Second, China and Australia, as firm supporters of trade and investment liberalization, can fulfill this idea in their cooperation in the South Pacific region. China supports facilitation and liberalization of trade and investment, and opposes trade protectionism of any form. It is convinced that protectionism harms others without benefiting oneself. Speaking at the opening ceremony of the first China International Import Expo, President Xi Jinping pledged that “China will unswervingly follow a win-win strategy of opening-up, adopt high-quality policies to advance trade and investment liberalization and facilitation ... China will remain a strong advocate of openness at the global level, and will continue to act as a stable engine of global growth, a big market with enormous opportunities and an active supporter of global governance reform.”²⁰ With a relatively small domestic market, Australia is a country that relies heavily on international trade to drive domestic economic development as well as a country that benefits from an open regional economy. On June 19, 2018, then Australian Prime Minister Malcolm Turnbull expressed his opinion of protectionism at the Australia

17 David Wroe, “Looking North: PNG Signs on to China’s Belt and Road Initiative,” *The Sydney Morning Herald*, June 21, 2018, <https://www.smh.com.au/world/asia/looking-north-png-signs-on-to-china-s-belt-and-road-initiative-20180621-p4zmyv.html>.

18 Ken Ross, *Regional Security in the South Pacific: The Quarter-Century 1970-95*, Canberra: The Australian National University, 1993, pp.95-119.

19 Dr Nichole Georgeou and Dr Charles Hawksley, “Australian Aid in the Pacific Islands,” July 26, 2016, <http://www.internationalaffairs.org.au/australianoutlook/australian-aid-in-the-pacific-islands>.

20 Xi Jinping, “Work Together for an Open Global Economy that is Innovative and Inclusive — Keynote Speech at the Opening Ceremony of the First China International Import Expo,” November 5, 2018, http://english.qstheory.cn/2018-11/06/c_1123669771.htm.

China Business Council, “(President Xi Jinping) talked about it as being like locking yourself into a dark room and cutting yourself off from others. And I used a slightly different metaphor, I said that anyone who thinks protectionism is a ladder to get you out of the low growth trap is kidding themselves, it’s not a ladder, it’s a shovel to dig that trap much deeper ... So protectionism is not the answer and that’s why we are unashamed advocates of free trade ... So we’ve both committed to more free trade, more open markets.”²¹ The two countries share a common responsibility to fight against the ideas and behaviors of anti-globalization, and have made commitments to safeguard trade and investment liberalization rules promoted by the World Trade Organization. All this not only helps smooth the development of bilateral economic and trade cooperation, but also lays the groundwork for cooperation between the two countries in the South Pacific.

Third, both China and Australia attach importance to developing relations with South Pacific island countries. The Australian 2017 Foreign Policy White Paper stated, “The stability and economic progress of Papua New Guinea, other Pacific island countries and Timor–Leste is of fundamental importance to Australia. Our ties with these neighbors are long-standing and will be enduring. We are bound by migration, education and, in many cases, historical ties.”²² It is clear that the South Pacific region has a unique position in Australia’s foreign aid strategy. In 1983, Australia overtook the United Kingdom to become the most important donor in the region.²³ Although Australia’s assistance to the South Pacific island countries was reduced to its lowest level since the 1970s in recent years, it is still the largest donor.²⁴

21 “Remarks to the Australia China Business Council, Canberra,” June 19, 2018, <https://www.malcolmturnbull.com.au/media/remarks-to-the-australia-china-business-council-canberra>.

22 “Chapter Seven: A Shared Agenda for Security and Prosperity,” *Australian 2017 Foreign Policy White Paper*, <https://www.fpwhitepaper.gov.au/foreign-policy-white-paper/chapter-seven-shared-agenda-security-and-prosperity>.

23 Australian International Development Assistance Bureau, *Australia’s Relations with the South Pacific: AIDAB Submission to the Joint Committee on Foreign Affairs and Defense*, Canberra: Australian Government Publishing Service, 1987, p.44.

24 Nichole Georgeou and Charles Hawksley, “Australian Aid in the Pacific Islands,” Australian Institute of International Affairs, July 26, 2016, <http://www.internationalaffairs.org.au/australianoutlook/australian-aid-in-the-pacific-islands>.

China has a long history of interactions with Pacific island countries, and official relations with the countries began in the 1970s. Since 1990, the Chinese government representatives have participated in the China-Pacific Islands Forum Dialogue. In September 2002, the Trade Representative's Office of the Pacific Islands Forum was officially opened in Beijing, which greatly promoted trade, investment and tourism cooperation between Pacific island countries and China. In April 2006, at the China-Pacific Island Countries Economic Development and Cooperation Forum held in Fiji, then Chinese Premier Wen Jiabao announced six important measures to strengthen economic cooperation between China and Pacific island countries, covering investment, agriculture and fishery, tourism, infrastructure construction cooperation, as well as measures to foster the Pacific island countries' economies. On November 8, 2013, at the second China-Pacific Island Countries Economic Development and Cooperation Forum held in Guangzhou, then Vice Premier Wang Yang emphasized that it was China's long-term strategic foreign policy to develop friendly and cooperative relations with Pacific island countries.²⁵ In 2014, President Xi Jinping visited Fiji and had a meeting with the heads of state of eight Pacific countries that have diplomatic relations with China. This was the first time that a Chinese President visited the Pacific island countries, indicating that China's relations with the countries entered a new historical phase.²⁶ In recent years, China's Belt and Road Initiative has received global attention. As one of the southern routes of the 21st Century Maritime Silk Road, the Pacific island countries have unique location advantages and convenience to connect with the initiative. It is fair to say that the 21st Century Maritime Silk Road provides a new opportunity and a new platform for cooperation between China and Pacific island countries. On June 21, 2018, Papua New Guinea took the lead, signing the first memorandum of understanding on the Belt and Road Initiative

25 The Forum was co-organized by China, Cook Islands, Niue, Micronesia, Papua New Guinea, Tonga, Vanuatu, and Fiji.

26 Wang Shiming and Wang Yanfen, "The Important Historic Significance of Xi Jinping's Visit to Pacific Island Countries," *Frontiers*, No.24, 2015, p.66.

with China.²⁷ During his visit to Papua New Guinea on November 16 the same year, President Xi Jinping held a group meeting with leaders of eight island countries that have diplomatic relations with China. Exchanging views on deepening relations between the two sides, the leaders agreed to upgrade the relations to a comprehensive strategic partnership of mutual respect and common development.²⁸ This has provided a solid foundation, broad prospects and greater momentum for China's cooperation with Pacific island countries.

Fourth, China and Australia have been cooperating in various forms in multilateral arenas. China and Australia both play an important role in international affairs and participate actively in multilateral mechanisms. Both countries are active members of the United Nations, ASEAN Regional Forum, G20, APEC, and other international or regional organizations, and they hold the same or similar positions on issues such as regional economic integration, regional peace and security, nuclear disarmament and non-proliferation, and global climate change. At present, the two sides are working together for an early conclusion of the Regional Comprehensive Economic Partnership (RCEP) negotiations.²⁹ Successful and effective multilateral cooperation requires thinking in big-picture terms, an attitude to make compromises and a spirit of cooperation. Previous multilateral cooperation between China and Australia has offered useful experience and reference for their cooperation in the South Pacific region.

Challenges for China-Australia Cooperation in South Pacific

Despite the above-mentioned opportunities and favorable conditions for China-Australia cooperation in the South Pacific region, challenges and obstacles remain. So far, Australia has failed to objectively assess China's

27 David Wroe, "Looking North: PNG Signs on to China's Belt and Road Initiative."

28 "China, Pacific Island Countries Lift Ties to Comprehensive Strategic Partnership," Xinhua, November 16, 2018, http://www.xinhuanet.com/english/2018-11/17/c_137612239_2.htm.

29 "Ambassador's Speech to the APEC China CEO Forum 2018," Australian Embassy in China, July 6, 2018, <https://china.embassy.gov.au/bjng/180706homspeech.html>.

rapid development, which has resulted in it adopting a prejudiced position toward China. Due to significant differences between the two countries in their ideas and practices of aiding South Pacific island countries, there have been some misperceptions and discontent on the Australian side. In addition, the United States and some European countries have been successively adjusting their South Pacific strategies, which disrupts China's assistance to and cooperation with countries in the region.

Australia's misgivings and misunderstanding of China's South Pacific policy

China has proposed the idea of building a community with a shared future for mankind, and upheld justice while pursuing shared interests in its foreign exchanges. Under this guidance, to encourage South Pacific island countries to ride on its train of fast growth, China has increased its investment and cooperation in the region, which reflects its commitment and responsibility as a country of global prominence. However, some Australian politicians, scholars and media believe that China may be seeking to establish a military presence in the Pacific to insert its influence on small vulnerable countries. Jonathan Pryke of the Lowy Institute commented, "China has entered the Pacific in a significant way. It's upended the status quo and caused anxiety, because no-one knows what its end-game is."³⁰ The lack of a comprehensive understanding and assessment of China's peaceful development and its South Pacific policy has caused anxieties among some politicians and media in Australia.³¹ They believe that close economic and trade cooperation and frequent visits between China and Australia would pose a threat to the Australian political system, and perceive the cooperation between China and South Pacific island countries as a disruption to regional order which undermines Australia's national security interests. Australia has turned down Huawei's bid in the construction of its 5G network, and

30 Jason Scott, "China's Pacific Islands Push Has the U.S. Worried," *Bloomberg*, June 18, 2018, <https://www.bloomberg.com/news/features/2018-06-17/china-s-pacific-islands-push-has-the-u-s-worried>.

31 Sapeer Mayron, "Online Tool on Aid in the Pacific Launched," *Samoa Observer*, August 11, 2018, p.6.

furthermore tried to sabotage the contract between Huawei and Solomon Islands on constructing the latter's submarine optical fiber cables. This rigid biased approach and Cold War mentality will undoubtedly have a negative impact on the cooperation between China and Australia in this region.

Different ideas on foreign aid between China and Australia

As a developing country and a responsible world power, China has always adhered to the Five Principles of Peaceful Coexistence, seeking to help recipient countries relieve their difficulties and improve people's livelihood under the framework of South-South cooperation without attaching political or any other conditions. Chinese foreign aid focuses on poverty reduction and disaster relief, infrastructure construction, environmental protection and improvement, and education and training.³² In addition, China lives up to its commitments when offering assistance, which is appreciated by recipient countries and internationally recognized.

Like many other Western countries, Australian foreign aid tries to establish an effective donor-recipient community and a political connection in both procedure and content that reflects political superiority of the donor.³³ Australia emphasizes the structure, details and transparency of its aid to South Pacific island countries, insisting on project reviews and acceptance in the hope that recipients will accept Western democratic systems and other values. It tends to blame China when Australian foreign aid policy meets discontent in the recipient country, claiming that the Chinese policy is not transparent and may cause a "debt trap" for the recipient.

US and European disturbance challenges China-Australia cooperation

Oceania is regarded as a space where great powers insert their geo-

32 State Council Information Office of China, *China's Foreign Aid White Paper (2014)*, July 2014, http://english.gov.cn/archive/white_paper/2014/08/23/content_281474982986592.htm.

33 Hans Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, translated by Xu Xin, et al., Peking University Press, 2009, p.558.

strategic, geopolitical, and geo-economic influence. During the Cold War, it was a “lake” for the UK, France and the US, where Western countries practiced “strategic access denial.”³⁴ As the Cold War ended, the US and European countries began to wind down and retreat from this region. However, China’s increased investment in the region and the consequent increase of its influence have caused their anxieties. To play against China’s rising influence in the region, the US and Europe labels China with “hegemony” and have put on stage various strategies or measures to contain China. The US declared “we are back” in 2012, and in recent years has increased the number of its diplomats in Palau and the Federated States of Micronesia. The US also plans to set up a US military office in Papua New Guinea by 2020. In order to obstruct infrastructure construction in Papua New Guinea by Chinese communication equipment manufacturers, it even took countermeasures and intended to unite Australia against China.³⁵ During the APEC summit in Port Moresby in November 2018, the US proposed working with Australia to rebuild the Manus Island naval base in Papua New Guinea.³⁶ The United States made no secret of its intention to contain China’s growing influence in the South Pacific region and act against China’s military presence in the South China Sea.³⁷ As an important ally of Australia, the relevant measures of the US will undoubtedly interfere with the cooperation between China and Australia in this region. The United Kingdom and France are also anxious and restless about the rise of China as an important donor and partner in the South Pacific region, and have

34 Tarcisius Kabutaulaka, “China, the Pacific Islands and the West’s Double Standards,” *Samoa Observer*, September 21, 2018, p.13.

35 US and Australia Try to Squeeze Chinese Companies in South Pacific,” *Cankao Xiaoxi*, October 19, 2018, p.14.

36 The Manus Island base was built by US army in 1944 to recapture the Pacific islands from Japan, and support the US liberation of the Philippines. The US army built a runway of 9,000 feet (about 2.8 km) and a harbor. The base was later used for the trials of Japanese war criminals. See “American World War II Base Will Be Rebuilt as China Courts Pacific Allies,” *The Wall Street Journal*, November 1, 2018, <https://www.wsj.com/articles/u-s-world-war-ii-base-to-be-rebuilt-as-china-courts-pacific-chums-1541075095>.

37 Andrew Tillett, “APEC 2018: US to Join Australia in Redeveloping PNG Naval Base,” *The Financial Review*, November 17, 2018, <https://www.afr.com/news/politics/apec-2018-scott-morrison-says-pacific-projects-must-be-bankable-20181117-h1807g>.

put forward countermeasures. The UK adjusted its foreign policy for the South Pacific shortly after the Brexit referendum, and plans to establish embassies or consulates in Vanuatu, Tonga and Samoa by the end of 2019. France is also unwilling to lag behind. On one hand, it has strengthened strategic cooperation with Australia in this region. On the occasion of the 10th anniversary of the signing of Australia-France Defense Cooperation Agreement, the Turnbull government called France “an important partner” on South Pacific security issues in 2016, and commissioned a French company to supply new submarines for Australia. On the other hand, France is intensifying its influence on some South Pacific island countries. In 2013, France asserted that its “political and oceanic influence comes from its Pacific territories (New Caledonia, French Polynesia, Wallis and Futuna).³⁸ President Emmanuel Macron’s visit to New Caledonia in May 2018 drew widespread attention. The UK and France’s intensified presence in the South Pacific and precautions against China’s increased assistance to and cooperation with the region are inevitably bound to affect Australia’s South Pacific policy, and its cooperation with China in this region.

China-Australia Dialogue Mechanisms and Cooperation Paths on South Pacific Affairs

In spite of increasing industrial competition for markets in the current global economic system, cooperation is general trend and common aspirations of the people. Unilateralism, beggar-my-neighbor or even confrontational policy is no solution. There is no fundamental conflict of interests between China and Australia, and their common interests far outweigh their disputes. Based on this, the two sides can explore or strengthen the following dialogue mechanisms and patterns in connection with their cooperation in the South

38 “Whose Regional Order? Complicated Geopolitics of the Pacific Islands Region,” lecture by Dr. Anna Powles at the School of English and International Studies, Beijing Foreign Studies University, May 2018, <https://seis.bfsu.edu.cn/info/1111/2425.htm>.

Pacific region.

Dialogue mechanisms

China and Australia have conducted strategic dialogues on human rights and bilateral economic and trade cooperation and achieved desired results. Today, the two countries still maintain diplomatic and strategic dialogue mechanisms. Politicians from both sides believe that the dialogue mechanisms are necessary for deepening understanding, enhancing trust and dispelling misgivings. At the time when political exchanges between the two countries came almost to a standstill due to unfriendly statements and actions from the Australian side, the dialogue mechanisms played its rightful role. On November 7-8, 2018, Australian Foreign Minister Marise Payne visited Beijing and attended the fifth round of China- Australia Diplomatic and Strategic Dialogue. It was the first visit by an Australian Foreign Minister in more than two years, and was regarded as a warm-up and an opportunity to stabilize the bilateral relationship. As Chinese State Councilor and Foreign Minister Wang Yi pointed out, it is hoped that the Australian side will correctly understand and get hold of China's development path and strategic intentions and make great efforts to wipe out "mutual trust deficit" between the two sides.³⁹ If Australia regards China's development as an opportunity instead of a threat, and works on enhancing mutual trust and cooperation, the cooperation between the two in the South Pacific will become a driving force for the development of bilateral relations rather than a stumbling block, and will certainly be well received by countries in the region.

China and Australia could try to establish dialogue mechanisms for cooperation in the South Pacific region concerning aid, investment, trade, and non-traditional security, in the spirit that their cooperation works to achieve mutual benefits and a win-win outcome with regional countries, seeks common development, and respects their self-reliance through

39 "Wang Yi and Foreign Minister Marise Payne of Australia Hold the China-Australia Diplomatic and Strategic Dialogue."

concerted efforts and equal participation in regional and international affairs. First, the two countries may set up a dialogue mechanism within the Pacific Islands Forum. China is a dialogue partner of the Forum and has appointed a special envoy for dialogue, which plays an important role in strengthening connection and cooperation with Pacific island countries. A similar arrangement from the Australian side would be very helpful for establishing a bilateral dialogue mechanism with China within the Forum to communicate and coordinate positions of the two sides on sensitive issues. Second, under the existing China-Australia Diplomatic and Strategic Dialogue, the two countries may set up a task force on South Pacific affairs to exchange views on issues such as aid, investment, trade as well as bilateral and multilateral cooperation in the region, and achieve intent of cooperation on specific issues. Third, China, Australia and the Pacific island countries may establish a tripartite consultation and dialogue mechanism. Australia and China are the top two donors and major partners for South Pacific island countries. The assistance aid from Australia and China are both important, but they work in different ways and one cannot replace the other. The Pacific island countries have expectations for cooperation of the two in this region.

The dialogue mechanisms must be set up to solve problems, strengthen communication, resolve differences and look for solutions to achieve win-win and all-win cooperation. Such communication and dialogue mechanisms are good for building mutual trust and cooperation between the two countries in the South Pacific region.

Cooperation paths

Cooperation under the UN framework. The poverty of Pacific island countries has long drawn global attention. The United Nations 2030 Agenda for Sustainable Development, officially coming into effect on January 1, 2016, calls on all countries to take immediate action and practical measures to achieve 17 sustainable development goals (SDGs) in the next 15 years, including eliminating poverty, ending hunger, achieving food security and

improved nutrition, promoting sustainable agriculture, ensuring availability and sustainable management of water and sanitation for all, taking urgent action to combat climate change and its impacts, and conserving and sustainably using the oceans, seas and marine resources for sustainable development. The Chinese idea of building a community with a shared future for mankind is in line with the vision of the United Nations' SDGs. President Xi Jinping has urged all nations to pursue inclusive development for the benefit of all. "We need to implement the 2030 Agenda for Sustainable Development, reduce the imbalances in global development, and make economic globalization more open, inclusive, balanced and beneficial for all. This way, people of all countries will be able to share in the benefits of economic globalization and global growth."⁴⁰ Australia is a regional power and the largest donor in the South Pacific region. Effective China-Australia cooperation in the region under the UN framework in food security, climate change, etc. would help eliminate poverty in Pacific island countries and enhance their capacity to cope with climate change. In August 2018, in a report on China's development aid to the Pacific region, the United Nations Development Program also confirmed that climate change is an area for effective trilateral cooperation.⁴¹

Cooperation under the Pacific Islands Forum. The Pacific Islands Forum is the most extensive and influential regional cooperative organization in the region. Each annual meeting of the Forum has a clear theme. As a dialogue partner of the Pacific Islands Forum, China maintains close cooperation with eight island countries with which it has diplomatic relations. As a member of the Forum, Australia proposes or supports some important issues for cooperation. Many issues of the Pacific Islands Forum are closely related to political governance, economic development and people's well-being of the island countries, but for one reason or another, some agreements have stayed only on paper due to insufficient funds and

40 Xi Jinping, "Work Together for an Open Global Economy that is Innovative and Inclusive — Keynote Speech at the Opening Ceremony of the First China International Import Expo."

41 "Australia and New Zealand Must Strengthen Cooperation," *Cankao Xiaoxi*, August 17, 2018, p.14.

ineffective organizing and coordinating mechanisms. Take the Pacific Plan in 2005 for example. It portrayed a vision of economic growth, sustainable development, good governance and security through regional cooperation,⁴² but has not worked out well. To make the Pacific Islands Forum a platform for cooperation, China and Australia must work together on issues or projects that the South Pacific island countries are most concerned about and in areas where they can take collective action, such as education and training, health care and conservation of blue ocean.⁴³ The cooperation will not only bring real benefits to the local people and enhance confidence of these island countries in taking collective action, but may also remove barriers between Australia and China and enhance their mutual trust. In the area of education and training, in the past five years, the Chinese government has organized dozens of technical training courses for South Pacific island countries.⁴⁴ On the other hand, with mature teaching methodologies and a sound education management system, Australia runs regular youth leadership projects in the island countries. China and Australia can strengthen communication and cooperation in education and training. Health care is another area in which South Pacific island countries call for sustained international assistance. At the fifth round of China-Australia Diplomatic and Strategic Dialogue, Australian Foreign Minister Marise Payne said that health was another area for potential bilateral cooperation and confirmed that a malaria project was already underway in Papua New Guinea involving Australia and China.⁴⁵

42 Seini O'Connor, "The Pacific Plan and the Future of Pacific Regionalism," July 16, 2013, <http://www/devpolicy.org/the-pacific-plan-and-the-future-of-pacific-regionalism-20130716-2>.

43 Pacific Island Forum Secretariat, "Pacific Regionalism & The Blue Pacific," <https://www.forumsec.org/pacific-regionalism>.

44 According to incomplete statistics, the Chinese government invited, between October 2013 and December 2017, officials of the Samoa government to six senior civil servants training courses in China, and other personnel to eight tropical aquaculture training courses and eight tropical crops training courses. China also granted full scholarships to 102 Samoa students. See Shi Yingli, "A Discussion of China's Aid to Samoa," *Journal of Suzhou Science and Technology University(Social Science Edition)*, No.4, 2018, pp.96-97.

45 Kirsty Needham, "Australia a 'Partner, Not a Rival', Says China, as Relations Warm Up," *The Sydney Morning Herald*, November 8, 2018, <https://www.smh.com.au/world/asia/australia-a-partner-not-a-rival-says-china-as-relations-warm-up-20181108-p50evi.html>.

Cooperation under the Belt and Road Initiative. More and more countries have accepted and actively participated in the Belt and Road Initiative since its launch in 2013.⁴⁶ Although the Australian federal government is skeptical about the initiative for a variety of reasons, the state of Victoria has shown special interest in the initiative because of the many opportunities it has to offer. On October 25, 2018, the memorandum of understanding between China's National Development and Reform Commission and the Victoria state government of Australia on jointly promoting the Silk Road Economic Belt and the 21st Century Maritime Silk Road was signed in Melbourne. This is the first Belt and Road cooperation agreement signed between China and an Australian state government. Premier of Victoria Daniel Andrews told the press that the memorandum was of significant historic importance. It shows the solid foundation of cooperation between the state of Victoria and China, and it is also a step forward for cooperation opportunities in infrastructure, engineering design, and trade and investment. The state government is committed to making Victoria an important gateway for cooperation with China, and the MOU will open up broader prospects for cooperation between the two sides and bring more real benefits to the people.⁴⁷ The Victoria state government's lead undoubtedly has a demonstration effect on cooperation between China and Pacific island countries, who have upgraded their relations to a comprehensive strategic partnership of mutual respect and common development. They are willing to actively participate in the Belt and Road Initiative and strengthen cooperation with China in trade, investment, fishery, tourism, and infrastructure construction, and therefore give impetus to their economic and social development. While the Australian federal government has not yet clearly expressed its support for the Belt and Road Initiative, in recent years, both official and non-

46 Ruan Zongze, "Building a Community with a Shared Future: Meliorating the Era of Strategic Opportunity in China," *China International Studies*, No.2, 2018, pp.5-27.

47 "Australian State of Victoria Signs MoU with China on Belt & Road," Belt and Road Portal, October 29, 2018, <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/69947.htm>.

official exchanges and cooperation focuses on the synergy of China's Belt and Road Initiative and Australia's plan to develop its northern region. The two sides have had several rounds of talks on the overall objectives, implementation plans and steps, and prospects of the cooperation, with some consensus reached.⁴⁸ Under this circumstance, if China and Australia start working together in a specific country on a specific project under the Belt and Road framework, their cooperation will help the Australian side better understand the initiative and accumulate experience for their further cooperation in more fields, at different levels and in various ways. To give an example, China has signed an MOU on cooperation under the Belt and Road framework with Papua New Guinea, which is the most important beneficiary in this region of Australian aid. The two countries can expect a promising prospect of cooperation in infrastructure construction, and the Belt and Road Initiative is a convenient framework. Payne has expressed that China is welcome to increase investment in Australia, and that the cooperation under the Belt and Road Initiative can make contributions to regional infrastructure construction.⁴⁹

Conclusion

As important countries in the Asia-Pacific region, both China and Australia attach great importance to developing relations with South Pacific island countries. They have initiated dialogues and consultations on the development and cooperation in this region, to seek consensus and explore possible cooperation paths. These efforts are in the benefit of the island countries, and help enhance their mutual trust, expand their cooperation and deepen the bilateral comprehensive strategic partnership.

At the second China-Pacific Island Countries Economic Development

48 Chen Yunzhe and Zhou Yue, "China-Australia Cooperation in the 'Belt and Road Initiative': Challenges and Prospects," in Yu Changsen, *Report on Development of Oceania*, Social Sciences Academic Press, 2018, p.58.

49 "Wang Yi and Foreign Minister Marise Payne of Australia Hold the China-Australia Diplomatic and Strategic Dialogue."

and Cooperation Forum in 2013, Brett Mason, then Parliamentary Secretary to the Minister for Foreign Affairs, in his speech expressed the view that China and Australia have interests in a wide range of fields and that Australia expects to have further consultation with China on the common interests in the Pacific region, as well as on how the two countries could work together to help their friends in this region.⁵⁰ Now it is of more practical significance to explore the cooperation between the two countries in the South Pacific region at a time when many people expect Australia-China relations to get back on track and Australia has repeatedly expressed its willingness to improve bilateral relations.

While the idea of “open regionalism” which the Pacific island countries uphold is an important prerequisite for China-Australia cooperation in this region, their efforts to lift themselves from poverty and backwardness and strive for sustainable development will provide content and motivation for the cooperation. As countries of important influence in the Asia-Pacific, China and Australia can only choose to cooperate with each other in their strategic or policy decisions. Suspicion and confrontation is not in the interests of China and Australia, or the island countries. China regards Australia as a partner rather than a competitor in international affairs and by developing relations with Pacific island countries, is fulfilling its responsibilities as a major country and contributing to a community with a shared future for mankind. China has no intention of replacing any Western countries including Australia, or marginalizing their interests. Australia should take a rational and objective approach to China’s development and cooperation with South Pacific island countries, and respect the choices of the local people. As long as China and Australia work together for the same end, the South Pacific region can become an important venue and platform to enlarge their cooperation and enrich the bilateral comprehensive strategic partnership. 🇺🇦

50 Brett Mason, “Address to the China-Pacific Island Countries Economic Development and Cooperation Forum,” November 8, 2013, https://ministers.dfat.gov.au/mason/speeches/Pages/2013/bm_sp_131108.aspx?ministerid=5.