

Testimony before the US-China Economic and Security Review Commission

Hearing on “Crossroads of Competition: China in Southeast Asia and the Pacific Islands”

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Panel 1: U.S.-China Strategic Competition in Southeast Asia and the Pacific Islands

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Witness Topic: China’s Objectives and Strategies in the Pacific Islands

China’s Strategic Objectives in the Region

The strategic objectives of the People’s Republic of China (PRC) can broadly be divided into four main goals: *diplomatic, economic, security and narrative objectives*. While there is a lack of coherence and coordination between PRC actors in the region—indeed different companies, migrants and the diplomats often find their interests in direct conflict—this does not preclude the gradual development by PRC officials on the ground in the Pacific of what might be termed a ‘grand strategy’ for the region.¹ There is a considerable literature on geostrategic competition with China in the Pacific² that this testimony will draw upon, while attempting to address the guiding questions provided by the Commission.

Diplomatic objectives

These may be divided into two main categories: enhancing China’s territorial integrity, through support for the PRC position on the South China Sea, and more importantly, furthering the diplomatic isolation of Taiwan; and obtaining support for China’s position in multilateral fora, both existing international bodies and those created under the aegis of the Belt and Road Initiative (BRI).

On the South China Sea, China has enjoyed some success in gathering support for its position, with Vanuatu confirming its support in a 2017 meeting with the Chinese Communist Party Center for International Exchanges, largely because the PRC position aligned with its own

¹ Pete Connolly. 2024. China’s Quest for Strategic Space in the Pacific Islands. *The National Bureau of Asian Research*. January 16.

<https://strategicspace.nbr.org/chinas-quest-for-strategic-space-in-the-pacific-islands/>

² See in particular Mihai Sora, Jessica Collins & Meg Keen. 2024. The Great Game in the Pacific Islands. Lowy Institute Interactives. August. <https://interactives.lowyinstitute.org/features/great-game-in-the-pacific-islands/>; Anna Powles. 2024. How Strategic Competition Is Shaping Security Cooperation in Solomon Islands. *NBR Special Report* 110. July 25. <https://www.nbr.org/publication/how-strategic-competition-is-shaping-security-cooperation-in-solomon-islands/>

maritime boundary concerns.³ The previous Papua New Guinea (PNG) government of Peter O'Neill took the unusual step of stating its “respect” for China’s position, and its right to “independently choose the means of dispute settlement in accordance with law.”⁴

Diplomatic isolation of Taiwan remains a consistent driver of PRC diplomatic activities in the Pacific. Long regarded as an irritant by both Pacific nations for its role in destabilising the region by driving “dollar diplomacy” and corruption,⁵ Taiwan’s presence now enjoys support from Australia, New Zealand and Japan, and tacit support from PRC-recognising states such as Samoa and Fiji. Despite this, China has succeeded in persuading three more Pacific nations cut ties with Taipei since 2019, with Solomon Islands and Kiribati leaving within four days of each other in 2019 (in time for the 70th anniversary of the founding of the PRC) and Nauru joining in 2024. Taiwan is effectively “on the ballot” in several Pacific nations,⁶ including those that have recently switched, as well as those who remain with Taiwan—Palau, the Marshall Islands and Tuvalu.

China has persuaded all the Pacific nations that recognize it to sign on to the Belt and Road Initiative, even though the Pacific was a late inclusion in the BRI, added on only after Xi Jinping’s visit to Suva in 2014, when he encouraged his then eight allies to “get on board the express train of development.”⁷ The suitability of the Pacific, with its small populations and distance from major global markets, for joining the BRI has been questioned, not least by Chinese scholars. A survey by the Taihe Institute and Peking University ranked six Pacific nations in the bottom ten for BRI nations, with Cook Islands ranking last, behind Yemen and Palestine.

While BRI membership does not shift voting patterns at the UN General Assembly (European BRI members are less likely to vote with China than non-signatories),⁸ in other fora such as the UN Human Rights Council, BRI membership has played a role in furthering China’s diplomatic objectives. In a 2022 vote on whether to discuss the UN’s own report on human rights violations in Xinjiang,⁹ the only developing nations to vote in favor were Taiwan allies—the Marshall Islands, Honduras and Paraguay—as well as Somalia.

³ Glenda Willie. 2017. Vanuatu reaffirms stand on South China Sea. *Vanuatu Daily Post*. August 31. https://www.dailypost.vu/news/vanuatu-reaffirms-stand-on-south-china-sea/article_94a1c49d-f82d-59d3-86ef-f2ad89dc541e.html

⁴ RNZ News. 2016. PNG respects China position on South China Sea. *RNZ*. July 10.

<https://www.rnz.co.nz/international/pacific-news/308349/png-respects-china-position-on-south-china-sea>

⁵ Graeme Dobell. 2007. China and Taiwan in the South Pacific: diplomatic chess versus Pacific political rugby. *Lowy Institute Policy Brief* January 18. <https://www.lowyinstitute.org/publications/china-taiwan-south-pacific-diplomatic-chess-versus-pacific-political-rugby>

⁶ Jessica Marinaccio. 2024. The promise of a return to Taiwan in recent election campaigns: Federated States of Micronesia, Solomon Islands and Honduras. *Taiwan Insight*. <https://taiwaninsight.org/2024/11/15/the-promise-of-a-return-to-taiwan-in-recent-election-campaigns-federated-states-of-micronesia-solomon-islands-and-honduras/>

⁷ Liam Fox. 2014. China’s president invites Pacific island allies to ride the Chinese ‘express train’ of development. *ABC News*. November 23. <https://www.abc.net.au/news/2014-11-23/chinese-president-touts-pacific-ties-on-visit-to-fiji/5911774>

⁸ Christoph V. Steinert & David Weyrauch. 2024. Belt and road initiative membership and voting patterns in the United Nations General Assembly. *Research & Politics*. 11(1). <https://doi.org/10.1177/20531680241233784>

⁹ Emma Farge. 2022. U.N. body rejects debate on China’s treatment of Uyghur Muslims in blow to West. *Reuters*. October 7.

Economic Objectives

China's importance as an economic partner to the Pacific has increased substantially since the 1990s; it is now the major trading partner of most Pacific nations. While the Pacific represents less than one percent of China's trade and investment,¹⁰ trade and investment volumes have grown at impressive rates since 2006. Along with 2018, when Xi Jinping attended APEC in Papua New Guinea,¹¹ 2006 marked a watershed in China's economic engagement with the region. In 2006, Premier Wen Jiabao convened the first China-Pacific Island Countries Economic Development and Cooperation Forum in Fiji,¹² signalling to Chinese state-owned enterprises (SOEs) that commercial and development finance was available from China Development Bank and China Exim Bank.

While few companies took up China Development Bank's commercial loans, concessional loans from China Exim Bank gave China's SOEs—particularly those in construction and telecommunications—access to Pacific Island economies. The first tranche of loans contributed to debt distress in the Kingdom of Tonga,¹³ which took on substantial loans to rebuild Nuku'alofa, which was—ironically—burnt to the ground in riots targeting Chinese-run shops. Sources familiar with the Tonga loan confirm that the lead contractor—Chinese Civil Engineering Construction Co. (CCECC)—gave Tongan financial officials the impression that the debt would ultimately be forgiven. Along with Samoa and Vanuatu, Tonga's debt repayments to GDP place it in the top ten of debtors to China, behind only Bhutan, Laos and Djibouti (see Table 1).¹⁴ Scope for economic coercion varies widely across the region. At the extreme end, the Solomon Islands is highly dependent on the PRC, with around two-thirds of its trade volume with China, much of it unprocessed logs.¹⁵ Other nations, such as Fiji, have a more diverse range of trading partners, and are better able to resist PRC pressure.

China has attempted to use economic coercion in the Pacific. Beyond the well-known example of Australia, the most forceful case was Palau's tourism sector, when China 'reminded' its group tour operators that Palau was not an approved destination, halving visitor numbers and causing Palau's economy to contract.¹⁶ The government of Tommy Remengesau acknowledged the goal of China's economic statecraft, but made no move to switch away from Taiwan, instead

<https://www.reuters.com/world/china/un-body-rejects-historic-debate-chinas-human-rights-record-2022-10-06/>

¹⁰ Denghua Zhang. 2023. China-Pacific Islands economic relations under the Belt and Road. *East Asian Policy*. 15. 82-97.

¹¹ Xinhua. Full text of Chinese President Xi's speech at APEC CEO summit. *XinhuaNet*. November 17.

http://www.xinhuanet.com/english/2018-11/17/c_137613904.htm

¹² Xinhua. 2006. Wen's speech at China-Pacific Island Countries forum. *China Daily*. April 5.

https://www.chinadaily.com.cn/china/2006-04/05/content_560573.htm

¹³ Riley Duke. 2024. Tonga walks a tightrope on its Chinese debts. *Lowy Interpreter*. January 31.

<https://www.lowyinstitute.org/the-interpreter/tonga-walks-tightrope-its-chinese-debts>

¹⁴ Doug Dingwall & Marian Kupu. 2024. Pacific Island nations owe 'astronomical' debts to China. Can they repay? *RNZ*. July 29. <https://www.rnz.co.nz/international/pacific-news/523464/pacific-island-nations-owe-astronomical-debts-to-china-can-they-repay>

¹⁵ Charley Piringi. 2023. The Unsustainable Exploitation of Solomon Islands' Natural Resources. *USIP*. November 30. <https://www.usip.org/publications/2023/11/unsustainable-exploitation-solomon-islands-natural-resources>

¹⁶ Farah Master. 2018. Empty hotels, idle boats: What happens when a Pacific island upsets China. *Reuters*. August 19. <https://www.reuters.com/article/world/empty-hotels-idle-boats-what-happens-when-a-pacific-island-upsets-china-idUSKBN1L403K/>

introducing a policy of “high-value” tourism that continues under the current administration of Surangel Whipps Jr. In private conversations, Pacific officials acknowledge the promise of future PRC investment is more effective than threats, especially when contrasted with the lack of non-military investment from Western countries.¹⁷ PRC officials are increasingly aware of this; China’s special envoy to the Pacific, Qian Bo, is famous in Suva for mocking Australia and New Zealand for lacking “real economies.” As will be discussed in a later section, China’s SOEs have become effective geopolitical operators in the Pacific.

Security Objectives

Of China’s four strategic objectives in the Pacific, China’s security objectives have perhaps seen the most striking changes, reflecting China’s growing global assertiveness in the promotion of its companies, and the protection—and control—of its citizens abroad. Security objectives also vary with proximity to China, Taiwan and the South China Sea. China’s security ambitions in Guam or the Federated States of Micronesia are quite different to those in Vanuatu or the Solomon Islands. There is no Honiara equivalent to the “Guam killer” missile.¹⁸ Yet there are commonalities to its approach, including a shift to positioning itself as a provider of internal security to Pacific governments that are attracted by Beijing’s model of policing.¹⁹

Despite lacking shared border issues, as in Southeast Asia, the PRC has tried to elevate its cooperation with Pacific police from scattered bilateral relationships to a regional multilateral framework. While security cooperation was previously an area where PRC actors showed limited interest, restricting their interactions to providing uniforms, vehicles and short-term training, since 2017 China’s security engagement has shown greater ambition,²⁰ even as its overall aid to the region has plateaued since 2016.²¹ We have seen more lethal materiel, PRC police serving in-country in at least four Pacific nations, and the development of China-based institutions catering to Pacific security needs, with the involvement of PRC provincial governments.

Police cooperation is used to achieve the objectives of an evolving PRC policy, the ‘Foreign related rule of law’ (FROL *shewai fazhi* 涉外法治)²² with implications for the expansion of security networks. While FROL was initially a defensive response to U.S. extraterritorial reach,

¹⁷ See, for example, Jayvee Vallejera. 2025. Guam think tank head tells senators: Ask US military the hard questions. *The Pacific Island Times* February 27. <https://www.pacificislandtimes.com/post/guam-think-tank-head-tells-senators-ask-us-military-the-hard-questions>

¹⁸ Franz-Stefan Gady. 2015. Revealed: China for the First Time Publicly Displays ‘Guam Killer’ Missile. *The Diplomat* August 31. <https://thediplomat.com/2015/08/revealed-china-for-the-first-time-publicly-displays-guam-killer-missile/>

¹⁹ Pete Connolly. 2024. China’s Police Security in the Pacific Islands. *The National Bureau of Asian Research* May 30. <https://www.nbr.org/publication/chinas-police-security-in-the-pacific-islands/>

²⁰ Prianka Srinivasan & Virginia Harrison. 2024. Mapped: the vast network of security deals spanning the Pacific, and what it means. *The Guardian* 8 July. <https://www.theguardian.com/world/article/2024/jul/09/pacific-islands-security-deals-australia-usa-china>. See also Connolly, Peter. 2024. China’s police security in the Pacific Islands. *The National Bureau of Asian Research* 30 May. <https://www.nbr.org/publication/chinas-police-security-in-the-pacific-islands/>

²¹ Rajah, Roland, Meg Keen & Alexander Dayant. 2023. Chinese aid to the Pacific: decreasing, but not disappearing. *Lowy Interpreter* 25 January. <https://www.lowyinstitute.org/the-interpretor/chinese-aid-pacific-decreasing-not-disappearing>

²² Erie, Matthew. 2023. Foreign policy implications for China’s Foreign-Related ‘Rule of Law’. *Orbis*. Fall, 565-78.

expanding security networks into the Pacific allows extraterritorial reach to enemies of the CCP, largely those involved in crime that targets Chinese citizens (such as online scams) but also potentially political dissidents, or even the business rivals of China's economic gatekeepers in country. Developing security networks across the Pacific allows the PRC greater influence in non-traditional security matters, especially in countries without militaries, positioning itself as the "internal security partner of choice"²³ in the context of geopolitical rivalry with the US.

Considerable Australian media attention has been dedicated to the question of whether China is looking to acquire a Pacific base, usually framing the Pacific countries as "penniless" victims of "debt-trap diplomacy".²⁴ While its base count still stands at zero, informal conversations with PRC sources suggest China is looking for a base, and that it is most likely to come about to further the corporate interests—and status—of a Pacific-based PRC company. The clearest example to date, a clumsy attempt by the well-connected China Sam Group to lease the island of Tulagi in the Solomon Islands, displayed both the savviness of Chinese companies in targeting subnational officials, and the impracticality of trying to secretly build a base in countries where the majority of the land is under traditional ownership.²⁵ For now, access and influence through policing and security agreements remain China's main focus in this sector.

Narrative Objectives

China's narrative objectives in the Pacific are twofold—channelling Pacific voices to support China's domestic objectives, particularly on internationally contentious issues such as Xinjiang, Tibet and Hong Kong, but also a narrative battle with Western powers in the Pacific, drawing on historical memories of colonialism and current approaches to developing the region. While the first objective is a common to all regions, China's lack of involvement in anti-colonial struggles in the Pacific (in contrast to Africa and Southeast Asia), mean that it has less of history of looking to Pacific countries to take its side on the global stage.

Under Xi Jinping's leadership, the Chinese Communist Party (CCP) has been steadfastly focused on international narrative around China's role in the world, as the formulation goes, to "tell China's story well" (讲好中国故事).²⁶ The China referred to in this phrase is not ordinary Chinese people, but rather the CCP telling China's story, with itself as the hero in the drama. The core of this formulation is—to put it crudely—a group of old men telling a story about their infallibility. Finding allies that are willing to speak on the CCP's behalf at international fora, most prominently at the United Nations, has become a primary focus. This can relate to issues China is defensive about—detention camps for Uyghurs and other minorities in Xinjiang, island

²³ Oriana Skylar Mastro. 2024. *Upstart: How China became a great power*. Oxford University Press. See also Sheena Chestnut Greitens & Isaac Kardon. 2024. Playing both sides of the U.S.-Chinese rivalry: Why countries get external security from Washington—and internal security from Beijing. *Foreign Affairs*. March 15. <https://www.foreignaffairs.com/united-states/playing-both-sides-us-chinese-rivalry>

²⁴ See, for example, Tom Steinfort. 2022. Too close to home. *60 Minutes*. <https://9now.nine.com.au/60-minutes/too-close-to-home>; Tom Steinfort. 2021. Is China taking over the South Pacific? *60 Minutes*. <https://www.youtube.com/watch?app=desktop&v=3NF3y1ouJ64&t=9s>

²⁵ Graeme Smith & Joseph Foukuna. 2019. Rumbblings along the federal fault line in Solomon Islands. *Lowy Interpreter* October 21. <https://www.lowyinstitute.org/the-interpreter/rumbblings-along-federal-fault-line-solomon-islands>

²⁶ The China Media Project. 2021. Telling China's story well. *The CMP Dictionary* April 16. https://chinamediaproject.org/the_ccp_dictionary/telling-chinas-story-well/

building in the South China Sea or the imposition of the National Security Law in Hong Kong.²⁷ More allies can be useful in a narrative sense. When a motion is put by Western nations condemning China's actions, a counter motion will be put in support, typically with more signatories supporting China's position. This is fed into domestic anti-Western discourses, through traditional news outlets and commercial social media, where nationalism sells.²⁸

Still more interesting is the amplification since 2013 of anti-Western narratives across the region. The lack of historical engagement by the PRC with the Pacific means that their Pacific knowledge is starting from a low base; I've come across PRC officials assuming that Papua New Guinea is in Africa or believing that Tonga is in fact Togo. This is changing rapidly—you can now learn any Pacific language—even Cook Islands Maori—at Beijing Culture and Language University.²⁹ Liaoning University in Shandong has more than 50 scholars focused on the Pacific. Part of the driving force is a desire from the Chinese state—and particularly its propaganda organs—to apply Mao's aphorism 'using the past to serve the present' (古为今用 *gu wei jin yong*) to the Pacific. Or rather, since the Chinese state had little to do with the Pacific before the 1970s, using the West's Pacific colonial past to serve the present.

Once neglected, PRC academics with Pacific knowledge are given a platform by outlets like the *Global Times*, China's nationalist tabloid. Researchers such as Yu Lei, from Shandong University, provide critical commentary about Western colonialism in the Pacific. In 2023 Australia agreed to resettle the entire population of Tuvalu under the Australia-Tuvalu Falepili Union treaty³⁰ which had neocolonial overtones,³¹ particularly Article 4, which required "Tuvalu shall mutually agree with Australia any partnership, arrangement or engagement with any other State or entity on security and defence-related matters. Such matters include but are not limited to defence, policing, border protection, cyber security and critical infrastructure, including ports, telecommunications and energy infrastructure." Commenting in the *Global Times*, Yu Lei argued the Treaty demonstrated "former colonial powers" wanted these countries to remain "politically subservient... and economically reliant" on them, through "instructions and manipulation."³²

Part of China's story in the Pacific is that unlike three of the other permanent members of the UN Security Council, China hasn't conducted any nuclear tests there, though they do lob the odd missile.³³ Chen Hong, an academic at East China Normal University, who gained the

²⁷ Dave Lawler. 2020. The 53 countries supporting China's crackdown on Hong Kong. *Axios* July 2.

<https://www.axios.com/2020/07/02/countries-supporting-china-hong-kong-law>

²⁸ Qiyue Wang & Mingjiang Li. 2025. Traffic, Money, and Political Consent: Explaining the Growth of Commercial Cyber-Nationalism in China. *Journal of Contemporary Asia*. 55 (1): 96-115.

²⁹ Denghua Zhang & Setope So'oa'emalelagi. 2019. A new trend: Pacific Island language teaching as part of the Belt and Road Initiative. *DPA In Brief* 2019/14. July 10. <https://openresearch-repository.anu.edu.au/server/api/core/bitstreams/0fa32d68-1c3f-4993-870e-2d9027661b57/content>

³⁰ Australian Department of Foreign Affairs and Trade. 2023. *Australia-Tuvalu Falepili Union treaty*. Australian Government. <https://www.dfat.gov.au/geo/tuvalu/australia-tuvalu-falepili-union-treaty>

³¹ Jessica Marinaccio. 2023. The Australia-Tuvalu Falepili Union: Tuvaluan values or Australian interests? *DevPolicy Blog*, November 15. <https://devpolicy.org/the-australia-tuvalu-falepili-union-tuvaluan-values-or-australian-interests-20231115/>

³² Editor. 2023. Do not make the resettlement offer to Pacific a geopolitical chess move. *Global Times*. November 14. <https://www.globaltimes.cn/page/202311/1301824.shtml>

³³ Nic Maclellan. 2024. My missile is bigger than your missile. *Islands Business*. November 3. <https://islandsbusiness.com/latest-magazine-articles/my-missile-is-bigger-than-your-missile/>

distinction of having his visa cancelled for trying to influence a minor Australian politician,³⁴ was among the first to dip into the United States' nuclear legacy, highlighting Operation Castle Bravo, the first in a series of tests on Bikini Atoll in the Marshall Islands, the first fusion nuclear bomb tested and still the most powerful nuclear device ever detonated by the US. The US, the UK, and France detonated 315 nuclear devices in the Pacific over three decades, including 12 in Australia.³⁵ With expanding knowledge, and (likely) expanding tensions with the United States in the Pacific, this narrative war is likely to intensify.

Efforts have also been made to cultivate individual Pacific journalists and academics, in keeping with practices elsewhere,³⁶ funding “look and learn” trips to China by influential Pacific Islanders—even including trips to Xinjiang. While not all Pacific journalists have been won over by these trips,³⁷ there have been bolder efforts to gain direct influence over traditional media outlets, notably newspapers in Palau,³⁸ Papua New Guinea and the Solomon Islands.³⁹ Along with Russia (largely to erode the reputation of the US) and Indonesia (exclusively related to West Papua), the PRC has engaged in disinformation campaigns in the Pacific.⁴⁰ Russian and Chinese actors have worked together to amplify each other's narratives, notably stoking rumors of a US-backed coup against the government of Manasseh Sogavare in the Solomon Islands, led by former Malaita premier Daniel Suidani.⁴¹ Whether these campaigns work is an open question—a study of a disinformation campaign which attempted to blame Taiwan, the US and Australia for the 2021 riots in Solomon Islands capital city, Honiara, found evidence that it reduced anti-China commentary, but had little impact on views of the West. A visit by US officials in response to the signing of the China-Solomon Islands security agreement did lead to more anti-West

³⁴ Sean Rubinsztein-Dunlop & Echo Hui, Australia revokes Chinese scholar visas and targets media officials, prompting furious China response. *ABC News*. September 9. <https://www.abc.net.au/news/2020-09-09/chinese-scholars-have-visas-revoked-as-diplomatic-crisis-grows/12644022>

³⁵ Nic Maclellan, *Prohibiting Nuclear Weapons: A Pacific Priority*, Melbourne: ICANW, online at: <https://icanw.org.au/wp-content/uploads/Pacific-Report-2017.pdf>

³⁶ Louisa Lim & Julia Bergin. 2021. The China Story: reshaping the world's media. *IFJ Research report on China and its impact on media*. https://www.ifj.org/fileadmin/user_upload/IFJ_Report_2020_-_The_China_Story.pdf

³⁷ Dorothy Wickham. 2019. The lesson from my trip to China? Solomon Islands is not ready to deal with this giant. *The Guardian*. December 23. <https://www.theguardian.com/world/commentisfree/2019/dec/23/the-lesson-from-my-trip-to-china-solomon-islands-is-not-ready-to-deal-with-this-giant>

³⁸ Bernadette Carreon, Aubrey Belford & Martin Young. 2023. Failed Palau Media Deal Reveals Inner Workings of China's Pacific Influence Effort. *OCCRP*. July 21. <https://www.occrp.org/en/investigation/failed-palau-media-deal-reveals-inner-workings-of-chinas-pacific-influence-effort>

³⁹ Bernadette Carreon & Aubrey Belford. 2023. Solomon Islands newspaper promised to “promote China” in return for funding. *OCCRP*. July 30. <https://www.occrp.org/en/news/solomon-islands-newspaper-promised-to-promote-china-in-return-for-funding>

⁴⁰ Anouk Ride, Tessa Ballard & Graeme Smith. 2025. Foreign state-sponsored disinformation in the Pacific Islands. *Australian Outlook*. March 13. <https://www.internationalaffairs.org.au/australianoutlook/foreign-state-sponsored-disinformation-in-the-pacific-islands/>

⁴¹ Ilya Tsukanov. 2024. Is US plotting electoral coup in Solomon Islands? *Sputnik Global*. 9 April. <https://sputnikglobe.com/20240409/is-us-plotting-electoral-coup-in-solomon-islands-1117758198.html>; see also GT Staff Reporters. 2024. As Solomon Islands votes, allegations of US interference highlight struggle of developing countries to forge independent foreign policy. *Global Times*. April 22. <https://www.globaltimes.cn/page/202404/1311050.shtml>

commentary on social media, building on existing narratives such as the US being “too late” in returning to the Pacific. These efforts are likely to become more sophisticated.⁴²

Assessing PRC Diplomatic Engagement

Assessing the success or otherwise of PRC diplomacy in the Pacific is tricky. There have been a string of public failures over the years, including embarrassing confrontations over Taiwan at Pacific Islands Forum meetings,⁴³ the 2022 failure of to sign the region onto a comprehensive trade and security agreement,⁴⁴ which limply became a “position paper on mutual respect and common development”;⁴⁵ awkward cross-cultural moments, such as China’s new ambassador to Kiribati being pictured walking across the backs of 30 men from Marakei Island”;⁴⁶ there was even a punch-up involving its diplomats in Fiji over a cake decorated with the Taiwanese flag.⁴⁷ Yet beyond these incidents, many of which were performed for the sake of the diplomats’ superiors in Beijing, go against a long-term trend of more serious and nuanced engagement by PRC officials in the Pacific.

Improved quality of diplomats

During the Jiang Zemin and Hu Jintao eras, China rarely sent its best diplomats to the Pacific. Rather, it was a place for exile and punishment, a term to be served without incident. When diplomats could be found they were disinclined to engage with local media or even local communities. Pacific embassies were ghostly, often made up of a handful of staff, frequently seconded from provincial or city governments, even universities.

A few examples point to a new approach. China’s ambassador to PNG during APEC, Xue Bing, had a command of English and willingness to talk with the media that went well beyond any of

⁴² Blake Johnson, Miah Hammond-Errey, Daria Impiombato, Albert Zhang & Joshua Dunne. 2022. Suppressing the truth and spreading lies. *ASPI Report*. October 5. <https://www.aspi.org.au/report/suppressing-truth-and-spreading-lies>

⁴³ Isabella Steger. 2018. A Pacific island nation of 11,000 people is picking a fight with China. *Quartz* September 6. <https://qz.com/1380770/taiwans-ally-nauru-fights-with-china-at-pacific-islands-forum>

⁴⁴ ABC News, Pacific nations walk away from trade and security deal with China as Australia aims to 'build stronger family'. May 30. <https://www.abc.net.au/news/2022-05-30/pacific-nations-shelve-region-wide-china-deal/101109614>

⁴⁵ Ministry of Foreign Affairs. 2022. China’s Position Paper on Mutual Respect and Common Development with Pacific Island Countries. *Chinese Central Government* May 30. https://www.mfa.gov.cn/eng/wjbxhd/202205/t20220531_10694923.html

⁴⁶ Jordan Fennell. 2020. Chinese ambassador to Kiribati pictured walking across the backs of people as part of welcoming ceremony. *ABC News* August 18. <https://www.abc.net.au/news/2020-08-18/kiribati-chinese-ambassador-tang-songgen-walking-on-backs/12567506>

⁴⁷ Amber Wang. 2020. China and Taiwan diplomats have a Fiji cake fight. *Asia Times* October 20. <https://asiatimes.com/2020/10/china-and-taiwan-diplomats-have-a-fiji-cake-fight>. Curiously, one of the same officials was involved in a brawl with pro-Hong Kong demonstrators inside the PRC consulate in Manchester two years later. Stephen Dziedzic & Bang Xiao. 2022. Chinese diplomat in spotlight after violence in Manchester was involved in previous brawl with Taiwanese officials. *ABC News* November 2. <https://www.abc.net.au/news/2022-11-02/chinese-diplomat-gao-lianjia-also-involved-in-fiji-hotel-brawl/101602940>

his predecessors. He went on to become China's special envoy for the Horn of Africa.⁴⁸ Serving alongside Xue Bing was Liu Linlin, the Economic Counsellor who was part of the Ministry of Commerce (MOFCOM) system which runs in parallel (and often at odds) to the Ministry of Foreign Affairs. In most Pacific nations, MFA and MOFCOM are housed in the same Embassy compound, but in PNG, MOFCOM got their own residence. Liu was no less adept at community outreach than Xue, regularly featuring in NewsCorp's Post Courier,⁴⁹ and known for providing candid advice to Chinese companies, pushing them to use more local labor, and to rely on local law and security firms.⁵⁰ China's first ambassador to the Solomon Islands, Li Ming, came to the post with nearly two decades of experience in the Pacific, meeting regularly with groups well beyond the traditional remit of PRC diplomats, including NGOs and church groups. After a dialogue with church leaders, then prime minister Sogavare praised his efforts: "Thank you for meeting with the Churches. We are hitting areas where we need to come out and set the records right. Christianity is the fastest growing religion in China."⁵¹

Beyond the top-down signal of posting more competent diplomats, China has also taken a more diverse approach, applying different strategies in different Pacific nations, trying to squeeze more propaganda value from its foreign aid projects, making use of Chinese subnational and corporate actors, and reaching out to older, and often more respected, Chinese communities where possible.

China Aid: "Small but Beautiful"

The newly created aid agency, the China International Development Cooperation Agency (CIDCA) is yet to have a noticeable effect on the way China delivers aid to the Pacific, particularly in addressing deficiencies in monitoring and evaluating projects, and maintaining infrastructure after project completion. The lack of officials with knowledge of foreign aid makes it unlikely this will be addressed⁵² and hopes that China Aid might be more open to working with Chinese NGOs have yet to be realised.⁵³ China's overall aid to the region peaked in 2016. Yet aligned with the narrative war mentioned above, China is doing a better job of selling its aid projects to the Pacific than in the past, and the size of the average PRC aid project has dramatically decreased, in keeping with the slogan "small but beautiful."⁵⁴

⁴⁸ Embassy of the PRC in the Federal Republic of Somalia. 2022. Ambassador Xue Bing appointed as the special envoy for the Horn of Africa affairs. *Chinese Central Government* February 24. http://so.china-embassy.gov.cn/eng/zfgx_1/202202/t20220224_10645225.htm

⁴⁹ Yombi Kep. 2018. Chinese company offers a chance to study overseas. *Post Courier* September 5. <https://www.postcourier.com.pg/chinese-company-offers-chance-study-overseas/>

⁵⁰ Graeme Smith. 2019. China's Guide to Investment Cooperation in Papua New Guinea. *DPA In Brief* 2019/25. <https://openresearch-repository.anu.edu.au/server/api/core/bitstreams/4b1fab4f-243c-4624-b5b4-916befc08ff0/content>

⁵¹ Prime Minister's Press Secretariat. 2021. PRC Ambassador applauds PM for initiating relationship between our Churches and Churches in PRC. *Solomon Star* August 3. <https://www.solomonstarnews.com/prc-ambassador-applauds-pm-for-initiating-relationship-between-our-churches-and-churches-in-prc/>

⁵² Denghua Zhang & Graeme Smith. 2017. China's foreign aid system: structure, agencies, and identities. *Third World Quarterly* 38 (10): 2330-2346.

⁵³ Denghua Zhang & Hongbo Ji. 2020. The new Chinese aid agency after its first two years. *DevPolicy Blog* April 22. <https://devpolicy.org/the-new-chinese-aid-agency-after-its-first-two-years-20200422-2/>

⁵⁴ Alexander Dayant & Riley Duke. 2023. China's shifting Pacific engagement – loud and brash to "small but beautiful." Lowy Interpreter. <https://www.lowyinstitute.org/publications/china-s-shifting-pacific-engagement->

Pacific attitudes towards Chinese aid vary between Pacific elites and Pacific communities, with elites seeing China as the “go to” for projects—such as government buildings and stadia—that other donors knock back. For their part, PRC aid officials often express frustration with their place in the Pacific aid ecosystem. Some aid initiatives—such as the Peace Ark medical ship—are well received by all; despite the preferential treatment they give to Chinese diasporas. Surveys of Pacific communities have revealed deep concerns about debt. More than 90 percent of Pacific university students (in a survey covering PNG, Fiji and Tonga) believed China would seize strategic assets in their countries if they defaulted on repayments.⁵⁵

The primary appeal of China Aid is its speed of delivery, flexibility, and lack of conditionality (beyond the condition of not recognizing Taiwan). The subsidisation of large SOEs means PRC companies are better able to tolerate the delays that often characterise aid projects in the Pacific,⁵⁶ and some companies—notably COVEC PNG and China Railway Fifth Group—have adapted to local conditions, hiring workers from the community where they are building roads or bridges. The PRC contracting companies also play a significant role in the nature, size and terms of China Aid projects, finding a local champion for their projects (usually a politician or a senior public servant) and “reverse engineering” projects to make them appear as local initiatives to CIDCA and China Exim Bank.⁵⁷

China’s diplomats have also shown flexibility in disbursing aid money, with embassies given a small amount of discretionary funding to fund small projects that might produce soft power wins. They have also been able to bend the rules laid down by CIDCA, getting involved in supporting constituency funds in Solomon Islands, infamous as a vote buying instrument for incumbent MPs.⁵⁸ China’s first ambassador to the Solomon Islands, Li Ming, was initially reluctant to match Taiwan’s approach of disbursing money to the fifty members of parliament, and tried to set them up as fifty separate aid projects, before realising his embassy had no capacity to select, monitor and evaluate that many projects. At last count, there are three separate constituency funds, including the existing Rural Constituency Development Fund, the longstanding (but little known) National Development Fund, funded by the PRC and managed by the Prime Minister, which appears to have only gone to government MPs,⁵⁹ and another development fund which favours government MPs.⁶⁰

Perhaps the most significant shift in PRC aid to the Pacific is China’s new confidence it has a model of development to offer the developing world. Particularly in the early Hu Jintao era, PRC

loud-brash-small-beautiful According to Lowy Institute research, the average size of Chinese aid projects between 2013 and 2019 was \$40 million, while project sizes now average around \$5 million.

⁵⁵ Denghua Zhang. 2023. Perceptions of China’s influence in the Pacific: Chinese and Pacific perspectives. *Australian Outlook*. August 29. <https://www.internationalaffairs.org.au/australianoutlook/perceptions-of-chinas-influence-in-the-pacific-chinese-and-pacific-perspectives>

⁵⁶ Terence Wood, Sabit Otor & Matthew Dornan. Why are aid projects less effective in the Pacific? *Development Policy Review*. 40, e12573. <https://doi.org/10.1111/dpr.12573>

⁵⁷ Graeme Smith. 2015. The six billion kina answer. October 8. <https://devpolicy.org/the-six-billion-kina-answer-20151008/>

⁵⁸ Transform Aqorau with Stewart Firth. 2022. Personal Reflections on Political Economy and Nation-Building in Solomon Islands. *DPA Working Paper* 2022/3. December 19. <https://core.ac.uk/download/pdf/551923857.pdf>

⁵⁹ Eddie Osifelo. 2021. Silence over controversial China development fund. *The Island Sun*. September 7. <https://theislandsun.com.sb/silence-over-controversial-china-development-fund/>

⁶⁰ Personal communication, Jon Fraenkel, 14 March 2025, Canberra.

officials would run from any suggestion China could offer a model of development, insisting China's historical situation was unique and deriding any suggestion there was a "Beijing Consensus" to rival the Washington Consensus.⁶¹ High-level tours by Pacific leaders to China now routinely include visits to remote, rural counties to demonstrate China's success in eliminating poverty. Fijian Prime Minister Sitiveni Rabuka, often cast as a China skeptic, said during a 2024 tour of a Chinese border county, "China's approach to rural development and poverty eradication in Malipo County in Yunnan Province serves as an inspiring model."⁶²

Subnational Diplomacy

While the initial response to the Belt and Road initiative was primarily taken up by central SOEs and central ministries, back when it was primarily about encouraging Chinese exports,⁶³ in recent years subnational actors have started to play a more active role in the Pacific, including companies, universities, and city and provincial governments. The assumption that Pacific actors are working with the Chinese central government is hard to shake—the central government taking the credit has a long history in China, but this trend is more pronounced under Xi Jinping, where it is a given that "the party leads everything." A recent study of interactions between PICs and PRC law enforcement agencies in repatriations of Chinese nationals revealed that Pacific authorities assumed they were dealing with central government agencies but were dealing with city or even county-level authorities. Police on the PRC side did nothing to correct their assumptions.⁶⁴ While de facto federalism⁶⁵ is less visible under Xi Jinping's rule, the drive to impress the central leadership has exacerbated inter- and intra-provincial competition.

The most straightforward way to measure the level of interest of PRC provinces in the Pacific is by tracking the number of sister city/province arrangements they have entered into with Pacific Island states. The most accurate database of these arrangements is maintained by The Chinese People's Association for Friendship with Foreign Countries (CPAFFC), which records all arrangements entered into by the PRC. For Oceania, the first recorded agreement is a sister province arrangement signed between Guangdong province and the Australia's largest state, New South Wales, on 1 September 1979. The relatively peripheral position of the South Pacific in PRC diplomacy is immediately clear from the dataset: the first agreement signed with a PIC came more than nine years later, when Jinan City in Shandong signed a sister city agreement with Port Moresby on 22 September 1988. It was another six years before another agreement was signed, this time between Shanghai and Port Vila, Vanuatu.

Examining trends over time also provides data to support the thesis that—until recently—Pacific Island nations were not a central focus of China's paradiplomacy. Since the first agreement was

⁶¹ Scott Kennedy. 2010. The myth of the Beijing Consensus. *Journal of Contemporary China*. 19(65): 461-477.

⁶² Fiji Ministry for Foreign Affairs. 2024. PM Rabuka commends China's poverty alleviation and rural revitalisation program. Fijian National Government. August 15. <https://www.foreignaffairs.gov.fj/pm-rabuka-commends-chinas-poverty-alleviation-and-rural-revitalisation-program/>

⁶³ Ryan Manuel. 2019. Twists in the Belt and Road. *China Leadership Monitor*. Hoover Institution. <https://www.wita.org/atp-research/twists-in-the-belt-and-road/>

⁶⁴ Graeme Smith. 2025. Inducing Compliance: Shaping Audiences' Perceptions in China's Cyber Crime. *Regulation & Governance*. DOI: 10.1111/rego.70007

⁶⁵ Yongnian Zheng. 2006. Explaining the sources of de facto federalism in reform China: Intergovernmental decentralization, globalization, and central–local relations. *Japanese Journal of Political Science*. 7 (2): 101-126.

signed in 1979 through to the end of 2024, Chinese subnational entities signed 116 agreements with Australian states, cities and towns, 42 with those from New Zealand, and only 27 with PICs. To some extent this understates the degree of engagement—only fully self-governing members of the United Nations are included on the CPAFFC list, which means the three agreements signed with French Polynesia are not included.⁶⁶

While the focus of the seaboard provinces on Australia and New Zealand since 1979 is in keeping with the economic focus of coastal provinces,⁶⁷ the trend since COVID suggests politics rather than economics are in charge. Since 2020, no friendship agreements have been signed with Australia, a single agreement was signed with New Zealand in 2020, and eight agreements have been signed with PICs.⁶⁸ Recent agreements point to two trends driving Pacific paradiplomacy from the PRC side: links to diaspora communities in the Pacific and the presence of a Pacific-focused institution that provides policy advice in China. All agreements since 2020 reveal one of these, with five driven by diaspora links and three reflecting the influence of an institution providing policy advice.

PRC diplomacy has also targeted subnational groups in the Pacific associated with traditional power structures, such as councils of chiefs, which have not typically been feted by Western countries.⁶⁹ In the case of a recent visit by Fiji's Grand Council of Chiefs to China led to the designation of Rewa Province as a site to trial "some of the best practices brought back by the visit."⁷⁰

Diaspora Diplomacy

Between 2017 and 2018, China undertook a major shift in the way it managed its diaspora. With the Office of Overseas Affairs subsumed into the United Front Work Department, China's migrants to the Pacific went from being seen as a potential source of funds to invest back into China, to being the face of China's public diplomacy.⁷¹ The task for implementing this vast "reprogramming" in the context of the Belt and Road Initiative has largely fallen to the politically toothless, but well connected, Chinese People's Political Consultative Conference.⁷² The strategy

⁶⁶ The agreements signed with French Polynesia are Jiangmen, a wealthy county-level city in Jiangsu paired with Faa'a; Changning District in Shanghai with Papeete; and Behai City in Guangxi province with the Leeward Islands.

⁶⁷ Audrye Wong. 2018. More than Peripheral: How Provinces Influence China's Foreign Policy. *The China Quarterly*. 235: 735-757; Xiaojing Ye. 2025. Diverse Patterns of Paradiplomacy by Chinese Local Governments: A Comparative Case Study of Zhejiang and Yunnan Provinces. *Journal of Contemporary China*. 34 (151): 43-60.

⁶⁸ These are Jiangmen City in Guangdong with Lautoka in Fiji (2021); Qingdao City in Shandong with Teinainano Urban Council, South Tarawa in Kiribati (2022); Liaocheng City in Shandong with Betio Town Council, South Tarawa (2022); Jiangmen City in Guangdong with Honiara in the Solomon Islands (2022); Guangdong with Guadalcanal Province, Solomon Islands (2023); Liaocheng City in Shandong with Port Vila, Vanuatu (2023); Fujian with Western Province, Solomon Islands (2024); and Pingtan City in Fujian with Madang Province in PNG (2024).

⁶⁹ Jan Kahout. 2023. Council of Chief's visit to China paves way for potential documentary film on Vanuatu culture. *ABC News*. June 19. <https://www.abc.net.au/pacific/programs/pacificbeat/vanuatu-s-council-of-chiefs-visit-china-s-tea-and-film-capitals/102494704>

⁷⁰ Wata Shaw. 2024. GCC endorse China tour report. *Fiji Times*. June 1. <https://www.fijitimes.com.fj/gcc-endorse-china-tour-report/>

⁷¹ Oscar Almén & Ivar Ekman. 2024. The Chinese Diaspora, the United Front, and hybrid warfare as an integral part of Chinese statecraft. *Strategic Outlook* 10 (2024): 57.

⁷² Flora Sapiro. 2019. The United Front Principle. *European Journal of East Asian Studies*. 18(2): 133-164.

adopted in the Pacific has been to recruit the most successful members of the Chinese community in each country, and to attempt to govern the growing Chinese diaspora in the Pacific through community associations. Chinese embassies have taken different approaches in different countries, but there is a distinct preference for working with what remains of the “old” Chinese communities because of their social status and deep links to political and commercial elites. In the case of Fiji, the Embassy still relies heavily on the longstanding Chinese Association of Fiji, even though more than 40 “new” Chinese associations have opened up.⁷³ Some of these are more front than united front; the Fiji Northern Chinese Association, run by Zhao Fugang, is said to boast five vice presidents, but no members.⁷⁴ Chinese community leaders contrast the disunited PRC community with the Indian community in Fiji; running associations takes up time, and aside from the head of the association, there aren’t many benefits.

In the case of Zhao Fugang, the informal leader of the “new” Chinese community in Fiji, his outing for alleged ties to organized crime on *60 Minutes*⁷⁵ and prompt public abandonment two days later as a “Fijian citizen” by the Chinese Embassy⁷⁶ led to the embassy summoning all the heads of Chinese associations, where they reassured them the embassy “had their backs.” The community leaders weren’t so sure. The embassy also released an amusing video rebuttal of the 60 Minutes program, featuring the author of this testimony.⁷⁷ Yet despite a brief fuss, including an abrupt flight to Hong Kong, Zhao Fugang continues to do business, has faced no criminal charges and has close links with a current government minister. Links between PRC authorities and organised crime will be discussed in a later section.

The dilemma for much of China’s Pacific diaspora was that their image in both the eyes of the Chinese state, and in the local population, was less than glorious. As one Fujian businessman who’d arrived in Port Moresby in the 1990s explained, “When I first arrived, they called me ‘baba’, now I’m cursed wherever I go as a ‘f-ing kong kong.’”⁷⁸ PRC migrants I’ve interviewed since 2009 put this down to the involvement of some of their community in organized crime. As one shopkeeper in Port Moresby explained after the failed assassination⁷⁹ of businessman Jason Tan:⁸⁰

⁷³ Henryk Szadziwski. 2023. The China dream in Fiji: Migrant perspectives of the Belt and Road Initiative. *Belt & Road in Global Perspective*. May 9. <https://munkschool.utoronto.ca/belt-road/research/china-dream-fiji-migrant-perspectives-belt-and-road-initiative>

⁷⁴ Author’s interview with Chinese community leader, Suva.

⁷⁵ 60 Minutes Australia. 2024. China’s dirty tactics to control the Pacific. March 24. <https://www.youtube.com/watch?v=FzW1APWxBjs>

⁷⁶ Vijay Narayan. 2024. Fugang is a Fijian national and we suggest you consult the Fijian government about his activities – Chinese Embassy. *Fiji Times*. March 26. <https://www.fijivillage.com/feature/-Fugang-is-a-Fijian-national-and-we-suggest-you-consult-the-Fijian-government-about-his-activities--Chinese-Embassy-8fr4x5/>

⁷⁷ Chinese Embassy in Fiji. 2024. Slander in paradise. *Twitter/X*. March 30. https://x.com/ChineseEmb_FJ/status/1773822035686523073

⁷⁸ Author’s interview with Fujian trader, Port Moresby, 2 July 2010. “Kong kong” is a derogatory Tok Pisin expression meaning “Asian.”

⁷⁹ Julia Daia Bore. 2010. Murder attempt. *The National*. January 4. <https://www.thenational.com.pg/murder-attempt/>

⁸⁰ Author’s interview with Fujian businessman, Port Moresby, 6 October 2010. Rather than organised crime, most believed the amateurish hit was organised by a relative impatient to inherit Tan’s fortune.

“After they were caught, it affected everyone. People would say that the worst sorts of people are here; Chinese killers have come into our country. Our reputation was destroyed. Wherever Chinese people go, particularly Fuqing people, our name is worse than pig shit. There’s too much illegal migration, and there are too many new arrivals.”

Shopkeepers also cited the growing number and visibility of PRC shopkeepers, and general deterioration in law and order.⁸¹ Despite efforts to govern PRC migrants through the diaspora elites who run community associations (Fiji has more than 40), China’s migrants largely maintain a wary distance from PRC officials and even hold a negative view of the BRI, which they perceive as only benefiting large SOEs.⁸² The capacity of PRC embassies in the Pacific to meet the growing consular expectations is also limited. As one Moresby shopkeeper complained:⁸³

“Even when someone gets killed, they’re no use. They’ll just send out a notice telling you to take extra care, and not to go out. All they can do is host visitors, conduct ceremonies, there’s no capacity to do much in PNG... and besides, this country isn’t that important. It was only after Taiwan [tried to] buy their allegiance⁸⁴ that they gave it some attention.”

A frequent complaint is that they feel looked down on by embassy staff, who live comfortable lives, “eating the emperor’s grain.” PRC officials and even PRC netizens, need little encouragement to blame China’s migrants for ruining China’s image in the Pacific. One report by Guangdong’s Office of Overseas Chinese Affairs—the agency meant to be in charge of protecting Chinese people abroad—blamed the 2006 Honiara riots on recent migrants from Guangdong, who were described as “low quality”, “happy to use cash to grease all transactions” and changing the “locals from respecting the Chinese to resenting their presence.”⁸⁵

The arrival of middle class “lifestyle” migrants in some Pacific countries—particularly Fiji, Vanuatu and Palau—drawn to the region by a slower paced life in a cleaner environment,⁸⁶ may change the image of the diaspora, although these migrants also create concerns for the PRC, being more vulnerable to robbery and more likely to complain on social media about lack of consular support. Attempts in 2024 by China’s foreign ministry to portray Palau as a “dangerous” destination⁸⁷ were met by mocking videos by Chinese residents of Koror on the platform *Douyin*. One response to address the lack of consular support has been the recruitment of “consular volunteers” to assist the embassy with liaison in the event of crime or natural

⁸¹ Patrick Matbob. 2021. On-the-ground tensions with Chinese traders in Papua New Guinea. In *The China Alternative: Changing Regional Order in the Pacific Islands*. Edited by Graeme Smith & Terence Wesley-Smith. 451-472. Canberra: ANU Press. See also Graeme Smith. 2014. Fuqing dreaming: ‘new’ Chinese communities in Papua New Guinea. In *Pacific-Asia partnerships in resource development*. Edited by Paul D’Arcy, Patrick Matbob & Linda Crowl. 131-137. Madang: DWU Press.

⁸² Denghua Zhang. 2023. China’s diplomacy and diaspora perceptions: Evidence from the Pacific region. *Asia & the Pacific Policy Studies*. 10 (1): 46-72.

⁸³ Author’s interview with shopkeeper from Fujian, Port Moresby, 5 October 2010.

⁸⁴ A reference to the short-lived government of Bill Skate, which attempted to switch to Taiwan.

⁸⁵ Graeme Smith. 2012. Chinese reactions to anti-Asian riots in the Pacific. *The Journal of Pacific History*. 47 (1): 93-109.

⁸⁶ Fei Sheng & Graeme Smith. 2021. The shifting fate of China’s Pacific diaspora. *The China Alternative: Changing Regional Order in the Pacific Islands*. Edited by Graeme Smith & Terence Wesley-Smith. 427-450. Canberra: ANU Press.

⁸⁷ Leilani Reklai. 2024. China Warns Citizens of Travel Risks in Palau. *Island Times*. June 14. <https://islandtimes.org/china-warns-citizens-of-travel-risks-in-palau/>

disasters, but also potentially to monitor PRC citizens.⁸⁸ PNG has at least 45 such volunteers on the ground, covering every province.⁸⁹ The arrival of Chinese police teams in some Pacific countries has also led to attempts to directly control the diaspora. Chinese shopkeepers in Honiara were recently informed they were not to contact the Royal Solomon Islands Police Force (RSIPF) and should direct their enquiries to the China Police Liaison Team (CPLT).⁹⁰ Prior to the switch from Taiwan and the arrival of the CPLT, the RSIPF had relied on the Solomon Islands Chinese Association for crime involving Chinese nationals.⁹¹ Nearly all Chinese shopkeepers I interviewed in 2019 opposed the Solomons switching to China, even thanking opposition MP Peter Kenilorea Jr. for his support of Taiwan.⁹² They—rightly—feared the establishment of diplomatic links would lead to more intense business competition and monitoring by PRC authorities.

The opening of an embassy in Honiara had quite different impacts on another group of PRC actors—workers and managers in state-owned enterprises who had managed to establish themselves in the Solomon Islands before the switch. In the following section I will outline the role SOEs play in furthering PRC influence in the Pacific.

The Role of State-Owned Enterprises (SOEs)

The types of companies that exercise influence in each PIC varies according to the structure of their economies. In atoll-based countries, fisheries companies are prominent; extractives companies are important in larger Melanesian nations such as PNG and the Solomon Islands where logging, minerals and gas dominate exports; while construction companies are found across the region and are often important players in geopolitics. PRC companies have been central to the three most recent diplomatic switches. In the Solomon Islands, regional directors of the construction company China Civil Engineering Construction Corporation (CCECC) flew in from Vanuatu and met with then prime minister Sogavare and his advisers, pitching a \$500 million aid package.⁹³ In Kiribati, while Taiwan's refusal to provide Kiribati with a passenger airline was cited in media outlets as the reason for the switch,⁹⁴ a fisheries company which held annual meetings in China with the Kiribati fisheries minister was the most useful conduit to the Maamau government. Concerns that Taiwan would back Maamau's opponent also played a

⁸⁸ Sean Rubinsztein-Dunlop & Echo Hui. 2021. Liberal Party donor Huifeng 'Haha' Liu 'engaged in acts of foreign interference': ASIO. *ABC News*. March 12. <https://www.abc.net.au/news/2021-03-12/asio-assessment-revealed-in-haha-liu-court-application/13234740>

⁸⁹ Zhang. *China's Diplomacy*. 56.

⁹⁰ Anna Powles, personal communication, February 2025.

⁹¹ Author's interview with association member, Honiara, 14 July 2019.

⁹² Author's interview with Peter Kenilorea Jr., 14 July 2019.

⁹³ Graeme Smith. 2019. The wisdom of Solomons: Taiwan and China's Pacific power play. *Lowy Interpreter*. September 12. <https://www.lowyinstitute.org/the-interpretor/wisdom-solomons-taiwan-china-s-pacific-power-play>

⁹⁴ Yimou Lee. 2019. Taiwan says China lures Kiribati with airplanes after losing another ally. *Reuters*. September 20. <https://www.reuters.com/article/world/taiwan-says-china-lures-kiribati-with-airplanes-after-losing-another-ally-idUSKBN1W50DH/>

role.⁹⁵ The reasons behind Nauru's switch is harder to prove, but those who claim insider knowledge link it to the long-delayed port project built by China Harbor Engineering Corporation (CHEC).⁹⁶ In all three cases, the “win-win” aspect was evident: CCECC won a string of contracts funded by China Aid and the Solomon Islands Government, Kiribati has signed on to closer fishery ties with China,⁹⁷ and CHEC continues to work on ADB funded projects in Nauru.⁹⁸

The large SOEs with regional headquarters across the Pacific are arguably more influential than China's formal representatives in country. Despite the improvement in the quality of PRC diplomats sent to the region, PRC companies in the region have greater resources—at times they are called on to provide and deliver PRC aid themselves⁹⁹—and real skin in the game, more so with China's domestic economy overloaded with fixed asset investment. They also often enjoy greater status—and higher political rank—than the Ministry of Foreign Affairs. Our team's recent survey found Beijing-based SOEs dominated the construction sector in the Pacific, led by China Railway Engineering (中国铁路工程总公司), China Railway Construction (中国铁道建筑有限公司) and China Communications Construction Company (中国交通建设公司). The top three subsidiaries were CCECC (based in Vanuatu), CHEC (based in PNG) and China Railway First Group (based in Fiji).¹⁰⁰

Such has been the concentration of investment in the construction sector that as early as 2019 an investment guide published by China's Ministry of Commerce (responsible for regulating and assisting PRC companies abroad) warned “homogenous” construction companies had saturated the market in Papua New Guinea.¹⁰¹ Other researchers note that in many Pacific markets, PRC companies' main challenge is each other, leading some companies to “make lowball offers to win the bid and substantially increase the cost afterwards”.¹⁰² The situation in PNG became extreme, as many contractors set up their offices in Port Moresby in order to have a presence when Xi Jinping attended APEC—the number of registered PRC companies doubled in the space of one

⁹⁵ Christopher Pala. 2020. China Could Be in Reach of Hawaii After Kiribati Elects Pro-Beijing President. *Foreign Policy*. June 19. <https://foreignpolicy.com/2020/06/19/kiribati-election-china-taiwan/>

⁹⁶ Henryk Szadziewski. 2024. How PRC companies influence diplomatic switches from Taiwan in the Pacific. *ASPI Strategist*. February 13. <https://www.aspistrategist.org.au/how-prc-companies-influence-diplomatic-switches-from-taiwan-in-the-pacific/>

⁹⁷ Mark Godfrey. 2024. China inks closer fishery ties with Kiribati, including deal involving controversy-plagued Ocean Family. *Seafood Source*. July 11. <https://www.seafoodsource.com/news/supply-trade/ocean-family-signs-deal-with-kiribati-company-despite-labor-wildlife-abuse-allegations>

⁹⁸ Nick McKenzie. 2024. Australia pays controversial Chinese company millions for Nauru's new port. *Sydney Morning Herald*. April 23. <https://www.smh.com.au/politics/federal/australia-pays-controversial-chinese-company-millions-for-nauru-s-new-port-20240422-p5flks.html>

⁹⁹ Nic Maclellan. 2020. Geopolitics meets pandemic in the Pacific. *Inside Story*. May 6. <https://insidestory.org.au/geopolitics-meets-pandemic-in-the-pacific/>

¹⁰⁰ Graeme Smith, Daria Impiombato, Tarcisius Kabutaulaka & Henryk Szadziewski. 2023. Mapping PRC companies in the Pacific. *DPA Discussion Paper* 2023/1. 10 November. DOI: 10.25911/K10Z-8806.

¹⁰¹ Graeme Smith. 2019. China's Guide to Investment Cooperation in Papua New Guinea. *DPA In Brief* 2019/25. Canberra: ANU. <https://openresearch-repository.anu.edu.au/items/48bbf6e1-b8c1-477f-b041-9a0f36f58feb>

¹⁰² Denghua Zhang. 2023. China-Pacific Islands Economic Relations under the Belt and Road. *East Asian Policy*. 15: 96.

year.¹⁰³ While some subcontracting goes on between PRC companies—which can inflate the price of projects—competition between PRC construction companies is intense. One area of tension with Pacific communities is the different attitude toward waged labor promoted by PRC companies, from disputes over inadequate safety equipment, low wages and barriers to forming trade unions, to frustration on the PRC side about a perceived lack of work ethics.¹⁰⁴ PRC investments in the region have increased in volume and value, adding up to US\$2.72 billion by the end of 2021.¹⁰⁵

Observing these companies over time, their willingness to get involved in furthering China's influence has increased during Xi Jinping's extended term in office, undergoing a visible shift in 2017. During the late Hu Jintao era, when CCP rule had the characteristics of a divided oligarchy, many of these companies were indifferent to the wishes of the central government; I recall one interview with an official from China Metallurgical Group (MCC), the main investor in the Ramu Nickel project in PNG, scoffing at the idea the State-Owned Assets Supervision and Administration Committee of the State Council (SASAC)—the body charged with managing China's "core" SOEs—could influence his company's behavior.¹⁰⁶ Five years later, SASAC had placed MCC under the control of another mining company,¹⁰⁷ and MCC's controversial chairman Shen Heting was soon under investigation following a string of poor investments from Afghanistan to Australia, apparently made with the guidance of a Hong Kong-based fortune teller.¹⁰⁸

Our survey revealed corporate history and company structure had an effect on willingness to work on behalf of the central government. A company like CCECC, which is a purely state-owned company, undiluted by stock market listing or mixed ownership, has few options but to respond enthusiastically, even if its project managers on the ground are engineers who miss their families and have no interest in geopolitics. Whereas in the past the distance of China's projects in the Pacific from Beijing encouraged SOE managers focus on personal and firm-level profits, recent governance reforms to SOEs, increasing the ability of the CCP to control personnel appointments and decision-making procedures, gives SOE managers in the Pacific less scope to ignore CCP directives.¹⁰⁹

¹⁰³ Pete Connolly. 2020. The Belt and Road Comes to Papua New Guinea: Chinese Geoeconomics with Melanesian Characteristics? *Security Challenges*. 16(4): 41–64.

¹⁰⁴ He Wenzhen & Graeme Smith. 2025. Negotiating Work: China's Labour Model in the Pacific. *Journal of Contemporary Asia*. <https://doi.org/10.1080/00472336.2025.2475959>

¹⁰⁵ MFA (Ministry of Foreign Affairs of the People's Republic of China). 2022. Fact Sheet: Cooperation between China and Pacific Island Countries. Chinese Central Government. 24 May. https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/202205/t20220524_10691917.html

¹⁰⁶ Interview with senior MCC official, Beijing, 19 July 2010.

¹⁰⁷ Zheng Xin. 2015. MCC shares slump in wake of merger with Minmetals. *China Daily*. 10 December. https://usa.chinadaily.com.cn/business/2015-12/10/content_22679052.htm

¹⁰⁸ Kinling Lo. 2017. Fallout from fall of Chinese executive who sealed copper mine deal in Afghanistan. *South China Morning Post*. April 1. <https://www.scmp.com/news/china/policies-politics/article/2084043/fallout-fall-chinese-executive-who-sealed-copper-mine>

¹⁰⁹ Kasper Beck & Kjeld Erik Brødsgaard. 2022. Corporate governance with Chinese characteristics: Party organization in state-owned enterprises. *The China Quarterly*. 250: 486-508.

Corruption and Transnational Crime

PRC involvement in corruption and transnational crime in the Pacific is considerably less than in Southeast Asia, but PRC actors, both corporate, criminal and in between¹¹⁰ have been active in fuelling both corruption and transnational crime in the region. The overall benefit to PRC interests is difficult to gauge, as while there are short-term gains—outlined below—long-term damage is being done to the image of the PRC among Pacific communities.

Coopting corrupt and criminal actors to work on behalf of a nation-state is not a PRC invention; from Harmid Karzai's brother to the Contra rebels in Nicaragua, the temptation for nation-states, and particularly their intelligence services, to work with criminals and criminal groups is not new.¹¹¹ Criminals are well connected, they can get things done, and they can be denied when things go wrong. The difference in the PRC case is the frequent intersection between legitimate state actors, United Front Work Department (UFW) affiliates, local politicians and PRC criminals in a number of PICs. The cases of Zhao Fugang¹¹² in Fiji and Hunter Tian¹¹³ in Palau have been well documented by OCCRP; in both instances an alleged PRC criminal is the effective (in the case of Zhao) and actual (in the case of Tian) leader of UFW activities in country. Recent reports that the Cambodia-based Prince Group is becoming involved in the Pacific are of concern.¹¹⁴ The company has a track record of allowing PRC security services to work inside the company to kidnap PRC dissidents, presumably in return for PRC authorities turning a blind eye to their involvement in money laundering and human trafficking.¹¹⁵ Online PRC diaspora forums in Cambodia discuss Palau as “the new Sihanoukville” for online gaming and scams, noting good internet speeds, low level of crime, proximity to China's time zone and the lack of a PRC official presence. However, most discussions end with an acknowledgement that Palau is too small for large criminal operations to go unnoticed, which has proved to be the case for Broken Tooth Koi and more recently Chen Zhi's Prince Group.

¹¹⁰ The concept of 'grey capital' is useful for understanding the overlap between legitimate and criminal PRC business interests in the Pacific. Gregory Raymond. 2024. Explaining 'grey capital': The sociology of transnational Chinese companies and crime in Thailand, *Journal of Contemporary China*. DOI: 10.1080/10670564.2024.2302485

¹¹¹ Alfred McCoy. 2016. Covert Netherworld: An Invisible Interstice in the Modern World System. *Comparative Studies in Society and History*. 58(4): 847-879. See also Carolyn Nordstrom. 2007. *Global Outlaws: Crime, Money, and Power in the Contemporary World*. Berkeley: University of California Press.

¹¹² OCCRP. 2024. Top Australian Criminal Target Zhao Thrived in Fiji Despite High-Level Warnings. *Organized Crime and Corruption Reporting Project*. November 27. <https://www.occrp.org/en/investigation/top-australian-criminal-target-zhao-thrived-in-fiji-despite-high-level-warnings>

¹¹³ Bernadette Carreon, Aubrey Belford & Martin Young. 2022. Pacific Gambit: Inside the Chinese Communist Party and Triad Push into Palau. *OCCRP*. <https://www.occrp.org/en/investigation/pacific-gambit-inside-the-chinese-communist-party-and-triad-push-into-palau>. See also Bernadette Carreon, Aubrey Belford & Martin Young. 2023. Failed Palau Media Deal Reveals Inner Workings of China's Pacific Influence Effort. *OCCRP*. <https://www.occrp.org/en/investigation/failed-palau-media-deal-reveals-inner-workings-of-chinas-pacific-influence-effort>

¹¹⁴ Jack Adamović Davies & Jane Tang. 2025. Pacific governments warned of 'threat' from Cambodia's Prince Group. *Benar News*. March 13. <https://www.benarnews.org/english/news/pacific/pac-cambodia-corruption-03122025213557.html>

¹¹⁵ Echo Hui, Elise Potaka & Dylan Welch. 2024. China's secret spy. *ABC 4 Corners*. May 13. <https://www.abc.net.au/news/2024-05-13/china-spy-secret-police-agent-tells-all-four-corners/103826708>

PRC authorities demonstrate a differentiated approach to policing PRC criminal actors in the Pacific—criminal activities that harm China, such as online scams targeting PRC citizens, are more likely to be targeted than crime which has little impact on China. The harshest examples of PRC policing in the region have involved alleged online scammers, 77 of whom were arrested with great theatre from Fiji in 2017—an operation that involved more than 500 PRC police from four different levels of government.¹¹⁶ As you will hear from Jason Tower in the next session, these police operations are common in Southeast Asia—serving to warn PRC nationals not to get involved in crime, and to justify ever-tighter domestic restrictions on online access.

The susceptibility of PICs to criminality and corruption varies according to the prevalence of clientelism in their societies and polities; surveys suggest countries with a diversity of languages and large extractives sectors are more susceptible to sort of patrimonialism that allows corruption to flourish.¹¹⁷ PNG ranks as the most corrupt PIC on most indices,¹¹⁸ but in comparison to other regions the Pacific is not poorly governed. It does, however, lack the resources, technology, legal codes and police to tackle modern transnational crime. In one of the most striking examples, an Australian caught making methamphetamines in his hotel room was released because the *PNG Dangerous Drugs Act 1954* had not been updated to include meth as a proscribed substance.¹¹⁹

While PRC actors do not dominate criminality in the Pacific, they have significant involvement in money laundering, drug trafficking, weapons smuggling, and human trafficking, all of which the Pacific lacks the regional architecture to tackle.¹²⁰ Once a transit point for drugs, the PICs have become both the victims of “spillover” and a production hub.¹²¹ Policy decisions related to the forced deportation of migrants of Pasifika background from Australia (known as “501s”)¹²², New Zealand and the United States have exacerbated transnational crime in the region, providing opportunities for PRC criminal interests. Vanuatu’s ‘golden passport’ scheme has also proved to be a lure for PRC criminals, including those involved in the PlusToken cryptocurrency ponzi scheme, which holds the record for the largest crypto scam in terms of number of victims

¹¹⁶ Smith, Inducing Compliance. See also Hagar Cohen. 2017. Fiji silenced part 1: China’s secret mission exposed. *Background Briefing*. Australian Broadcasting Corporation. <https://www.abc.net.au/listen/programs/backgroundbriefing/fiji-silenced-part-1-chinas-secret-mission-exposed/8996040>

¹¹⁷ Grant Walton & David Jackson. 2020. Reciprocity networks, service delivery, and corruption: The wantok system in Papua New Guinea. U4 Anti-Corruption Resource Centre. <https://www.u4.no/publications/reciprocity-networks-service-delivery-and-corruption-the-wantok-system-in-papua-new-guinea.pdf>

¹¹⁸ See, for example, Transparency International. 2025. *Corruption Perceptions Index 2024*. <https://www.transparency.org/en/cpi/2024>

¹¹⁹ Bethanie Harriman & Edwina Seselja. 2021. Australian Jamie Pang caught up in drug bust, after alleged meth lab, illegal firearms discovered in his PNG hotel. *ABC News*. November 24. <https://www.abc.net.au/news/2021-11-24/australian-jamie-pang-png-hotel-alleged-meth-lab-drug-bust/100643446>

¹²⁰ Jose Sousa-Santos. 2024. Amid Illicit Drug Boom, Is the Pacific’s Regional Security Architecture Fit for Purpose? USIP. <https://www.usip.org/publications/2024/08/amid-illicit-drug-boom-pacifics-regional-security-architecture-fit-purpose>

¹²¹ Jose Sousa-Santos. 2024. Illicit Drugs Are Undermining Pacific Security. *USIP*. March 9. <https://www.usip.org/publications/2024/03/illicit-drugs-are-undermining-pacific-security>

¹²² Henrietta McNeill. 2024. Products of Australia: The International Consequences of Australia’s Deportation Policy. *Australian Outlook*. June 20. <https://www.internationalaffairs.org.au/australianoutlook/products-of-australia-the-international-consequences-of-australias-deportation-policy/>

(over 2 million) and amount stolen (upwards of \$6 billion).¹²³ Although they should have been given access to lawyers and 30 days to make a case, Vanuatu's Interior Minister was happy to hand over the six suspects to a Chinese city-level police department, even though at least four of them had Vanuatu passports.¹²⁴

Pacific Policymakers' Views of the PRC

A comprehensive survey of the views of Pacific policymakers has not been undertaken, but from public statements, several strands of thought become apparent. Pacific leaders are wary of outsiders placing labels on their region, be it the narrative of the Belt and Road Initiative, or the Indo-Pacific Strategy. As Samoa's then prime minister Tuilaepa explained in 2018:

“The renewed vigour with which a ‘Free and Open Indo–Pacific strategy’ is being advocated and pursued leaves us with much uncertainty. For the Pacific there is a real risk of privileging ‘Indo’ over the ‘Pacific’... shifting global and regional geopolitics is creating an increasingly complex and crowded region that places the Pacific at the centre of contemporary global geopolitics. This trend, coupled with broader challenges such as climate change and disaster risk, rising inequality, resource depletion, maritime boundary disputes and advances in technology, will continue to shape the Pacific regional security environment.”¹²⁵

The strand of thinking that geopolitical competition is a distraction from the existential problems faced by the Pacific—primarily climate change—is widely shared among leading Pacific thinkers. The mantra, “friends to all, enemies to none” is heard so frequently as to be open to parody, but it reflects the genuine connection of many Pacific nations to the non-aligned movement. There is also a perception that Western powers look to block PRC investment in PICs, without offering an alternative and while enjoying deep trade and investment links with the PRC. Many Pacific leaders resent the implication Pacific actors lack the agency, or the smarts, to deal with PRC actors. As then Pacific Islands Forum Secretary General, Dame Meg Taylor, argued in 2019:¹²⁶

“Such a narrative [of a China alternative] tends to portray the nations of the Pacific as passive collaborators or victims of a new wave of colonialism. In this context it is often difficult to engage in meaningful dialogue over relations with China without being labelled “pro-China” or perhaps even as naïve... Forum members view China's increased actions in the region as a positive development, one that offers greater options for financing and development opportunities – both directly in partnership with China, and indirectly through the increased

¹²³ Smith, *Inducing Compliance*.

¹²⁴ Dan McGarry. 2019. Who are the PlusToken Six? *Vanuatu Daily Post*. July 17.

https://www.dailypost.vu/news/who-are-the-plustoken-six/article_df1f863f-a763-52e9-8cba-eea51c77cde0.html

¹²⁵ Hon. Tuilaepa Sailele Malielegaoi. 2018. Speech by the Hon Prime Minister Tuilaepa Sailele Malielegaoi on Pacific perspectives on the new geostrategic landscape. Lowy Institute. August 30.

<https://www.lowyinstitute.org/publications/speech-hon-prime-minister-tuilaepa-sailele-malielegaoi-pacific-perspectives-new>

¹²⁶ Dame Meg Taylor. 2019. Keynote address by Dame Meg Taylor, Secretary General “The China Alternative: Changing Regional Order in the Pacific Islands.” Port Vila, Vanuatu. February 12.

<https://forumsec.org/publications/keynote-address-dame-meg-taylor-secretary-general-china-alternative-changing-regional>

competition in our region. Indeed, if there is one word that might resonate amongst all Forum members when it comes to China, that word is access. Access to markets, technology, financing, infrastructure. Access to a viable future. For example, Australia's access to China's markets make it the former's largest trading partner in terms of both imports and exports."

Evidence of Pacific leaders using the presence of China to exercise their agency is not hard to find; at the regional level the rejection of Beijing's 2022 treaty was a clear example of the Pacific refusing to be rushed into a vision of development and security they weren't sold on. At a country level, Pacific leaders who occasionally lean towards the PRC can argue their strategy of hedging works—more face time with China leads to greater interest from other powers. At the grassroots level, where PRC business migrants often dominate the business landscape, there are many communities that have driven out these hardy traders—large swathes of Bougainville have only locally-owned shops (albeit largely stocking PRC-made goods.)

The views of Pacific leaders are also shaped by geography, with leaders closer to the first-island chain—and within reach of Chinese and North Korean intermediate-range missiles—more likely express reservations. On the eve of this hearing, Guam Local Senator William A. Parkinson put forward a motion proposing statehood for his island of 166,000 people, laying out their choice in stark terms: "We have to be real about what's going on in this part of the world. We are a tiny island but we are too strategically important to be left alone. Stay with America or do we let ourselves be absorbed by China?"¹²⁷

Perhaps the most critical testimony on PRC activities in the Pacific came from the outgoing president of the Federated States of Micronesia, David Panuelo. He wrote two letters, which letters accused China of engaging in espionage, called upon FSM to switch its allegiance to Taiwan, alleged the majority of his colleagues had taken bribes from China, and even accused China's special envoy to the Pacific, Qian Bo, of arranging goons to follow him at the Pacific Islands Forum. The letter ranged from the serious—research vessels mapping FSM's ocean floor without permission—to the comical, where Panuelo relates how he changed his phone because the Chinese ambassador was calling him incessantly asking him to accept COVID vaccines.¹²⁸

Finally, some Pacific leaders have internalised PRC messaging about China offering a superior development model. Unlike previous Solomon Islands elections, the ruling government's candidates went to the polls in 2024 under a united banner—the OUR Party. While media coverage of the campaign focused on some of the more colourful remarks, such as Sogavare equating democracy with "moral decay" and the spread of gay marriage,¹²⁹ the striking feature of stump speeches by OUR Party candidates was how much of them were dedicated to selling a new model of development, with implicit (and sometimes explicit) Chinese characteristics. For many Solomon Islands politicians, after just one electoral cycle, Taiwan is a distant memory.

¹²⁷ Mar-Vic Cagurangan. 2025. Guam at decolonization 'crossroads' with resolution on US statehood. *Benar News*. March 14. <https://www.benarnews.org/english/news/pacific/guam-statehood-decolonization-03142025040420.html>

¹²⁸ David Panuelo. 2023. President Panuelo's Letter on Chinese "Political Warfare" in Micronesia. March 9. *Vermilion China*. <https://www.vermilionchina.com/p/primary-source-president-panuelos>

¹²⁹ Nick Sas, Stephen Dziedzic & Chrisnrita Aumanu-Leong. 2024. Solomon Islands prime minister critical of democracy, praises 'Chinese-style' governance. ABC News.

Taiwan's level of engagement with PICs

By the measurable metrics of engagement, Taiwan's support for the Pacific has dropped off considerably—according to Lowy Institute data, Taiwan's aid to the region is at one-fifth of historic levels to be just \$7.2 million in 2022.¹³⁰ As Taiwan loses allies, aid is simply cut, and not reallocated to their three remaining allies (Palau, Marshall Islands and Tuvalu) or the region as a whole. Conversations our research team had with Taiwanese representatives suggest support for a new approach to the Pacific, that goes beyond Taiwan's three remaining allies, varies across government departments. While Taiwan's Ministry of Foreign Affairs appears to maintain a conservative approach, the national security community, academic and development officials were open to a more nuanced approach. Differences along party lines were also apparent, with the ruling Democratic Progressive Party (DPP) less inclined to get involved in areas they view as reflecting traditional Nationalist Party (KMT) concerns and methods, such as influencing Pacific diasporas through overseas Chinese associations and networks. DPP-leaning agencies, such as the newly opened Cognitive Warfare Center, are more open to working with Pacific nations on emerging issues such as misinformation.

Those who have worked on aid in the Pacific over the past decades will question the wisdom of working with Taiwan on development assistance, given their track record of directly funding Pacific political elites (which appears to continue with their three remaining allies), of setting up vote-buying schemes such as the Rural Constituency Development Funds which made up 70% of their aid to the Solomon Islands,¹³¹ and (during the DPP's early years) of outlandish dollar diplomacy to win Pacific allies over from China. Yet there are a few areas we can encourage Taiwan to return to the Pacific to enhance Taiwan's standing in the region and address genuine development needs. But firstly, what to avoid.

Avoid domestic political games and influence operations

In the aftermath of Solomon Islands switching to China in 2019, media coverage was devoted to the struggle of the then governor of Malaita Province to retain ties with Taiwan, citing the provincial assembly's support for democratic values, and resistance to “investors connected directly or indirectly with the Chinese Communist Party”, outlined in the Auki Communique. Taiwan supplied aid to the province, and USAID followed up with a \$25 million project supporting agriculture. Following his denouement, Governor Suidani was feted by the Heritage Foundation and Sky News for “standing up to China”. An account describing the ecosystem around Suidani, whose backers were former Malaita Eagles gunmen, made it clear the personal domestic politics and geopolitics became entangled such that it was difficult to separate them

¹³⁰ Alexandre Dayant, Riley Duke, Nasirra Ahsan, Roland Rajah & Hervé Lemahieu. 2024. Pacific Aid Map: 2024 Key Findings. Lowy Institute. November 20. <https://pacificaidmap.lowyinstitute.org/analysis/2024/key-findings/>

¹³¹ Georgina Kekea & Anouk Ride. 2023. How Constituency Development Funds Undermine Solomon Islands' Democracy. *United States Institute of Peace* October 25. <https://www.usip.org/publications/2023/10/how-constituency-development-funds-undermine-solomon-islands-democracy>

out.¹³² It would be wise to steer clear of Taiwan-related influence operations in the Solomons or elsewhere. As I've argued in the case of Palau, the Pacific is too small for IOs.¹³³ Fortunately, there is plenty that can be done to balance China's influence without looking foolish.¹³⁴

Sectors for collaboration in the Pacific

Given the Taiwanese aid agency, The International Cooperation and Development Fund (ICDF) already has programs in PNG and Fiji, there may be value in encouraging Taiwan to expand its aid footprint into countries that maintain diplomatic relations with China but are sympathetic to Taiwan. It also aligns with the "friends to all, enemies to none" foreign policy of most Pacific nations. Obvious candidates are stable Polynesian countries with strong regional influence, such as Samoa, Tonga or the Cook Islands. There are indications senior ICDF officials are open to a new approach. While ICDF's relationship with MOFA is a passive one (as one MOFA official put it, "they just do aid") the geopolitical benefits of this approach might gain MOFA's support.

Taiwanese representatives hint they would welcome working with the US, Australia and New Zealand on trilateral aid projects in the Pacific, as ICDF recently did with USAID in Fiji in the health sector. A more productive approach might be to encourage Taiwanese government, SMEs and civil society to develop partnerships in the Pacific where Western countries can offer support and in areas where Taiwan has natural advantages: health care and communications; agriculture and aquaculture; scholarships; cyber resilience; and diaspora engagement.

Health care and telecommunications. Two of Taiwan's natural advantages in aid have considerable scope for adoption in the Pacific. This is a focus of ICDF's work with its allies in the Western hemisphere (particularly Paraguay) and it has scope for promotion in the Pacific where non-communicable diseases (NCDs) are the leading cause of death. There is also scope for medical aid to be delivered by Taiwanese civil society organisations, through the umbrella body Taiwan Alliance in International Development. Many of its NGOs have Christian origins, reducing political sensitivity.

Agriculture and aquaculture. The ICDF lists agriculture as its first priority, and research by our team across the Pacific suggests that these projects have been among its most successful in improving diets, enhancing livelihoods and reducing the incidence of NCDs.

Scholarships. To date, ICDF claims to have offered 98 scholarships to the Pacific, dwarfed by China's efforts to provide 2000 scholarships to the Pacific a decade ago.¹³⁵ By offering more scholarships through the Taiwan/ROC-PIF Scholarship Fund, Taiwan can build goodwill in the Pacific beyond its remaining allies by raising its support from the current annual contribution of

¹³² Ed Cavanaugh. 2023. *Divided Isles: Solomon Islands and the China Switch*. Melbourne: La Trobe University Press.

¹³³ Graeme Smith. 2025. The US isn't the only country voting on Nov 5. This small Pacific nation is also holding an election – and China is watching. *The Conversation* October 15. <https://theconversation.com/the-us-isnt-the-only-country-voting-on-nov-5-this-small-pacific-nation-is-also-holding-an-election-and-china-is-watching-237321>

¹³⁴ Chris Bing & Joel Schectman. 2024. Pentagon ran secret anti-vax campaign to undermine China during pandemic. *Reuters* June 14. <https://www.reuters.com/investigates/special-report/usa-covid-propaganda/>

¹³⁵ Matthew Dornan, Denghua Zhang and Phillippa Brant. 2013. China announces more aid, and loans, to Pacific islands countries. *DevPolicy Blog*. November 13. <https://devpolicy.org/china-announces-more-aid-and-loans-to-pacific-islands-countries-20131113-2/>

\$1 million per year. Given qualifications obtained in China often struggle to obtain local recognition in the Pacific,¹³⁶ this could be presented as a cost-effective way to enhance soft power and influence among future elites in the region.

Cyber resilience. Taiwan is the world's leading target for disinformation.¹³⁷ There is scope for Taiwanese government agencies and civil society organisations to work with the Pacific on an area of concern to both Pacific elites and Pacific communities. Many of the issues Taiwan is dealing with around cyber-attacks on government agencies, and disinformation spread through social media platforms map directly onto Pacific concerns. Whether misinformation about measles vaccines in Samoa, or online rumours about child kidnappings,¹³⁸ social media—particularly Facebook—can be lethal in the Pacific. In addition to information exchange, media training could also be offered.

Diaspora engagement. Officials in Taiwan confirm the budget for cultivating China's diasporas abroad (through the Overseas Community Affairs Council 僑委會) has been drastically reduced, in part due to the DPP's discomfort with the KMT's traditional approach to winning over Chinese diasporas association-by-association, school-by-school. Yet there is scope to work with Taiwan in building better relations with China's Pacific diasporas. Research shows that most of these business-focused populations do not hold a positive view of the Chinese Communist Party or the Belt and Road Initiative,¹³⁹ and see their long-term futures in the Pacific, or in future migration to Australia, New Zealand or the US.

Recommendations

- Encourage Taiwanese diplomats to take a less zero-sum approach to engagement with the Pacific, and to expand their reach beyond their three diplomatic allies, whose total population is less than 70,000 people;
- Boost engagement by Taiwanese agencies with Pacific multilateral fora, in particular credible bodies such as the Pacific Islands Forum, the Pacific Tourism Organisation, and the Pacific Community;
- Advocate for a greater footprint for Taiwanese civil society organisations, media outlets, universities and church groups across the Pacific; these sectors are skeptical about China's engagement with the region and open to Taiwan's SME-centred approach to development.

¹³⁶ Denghua Zhang & Jessica Marinaccio. 2019. Chinese and Taiwanese Scholarships for Pacific Island Countries. *DPA In Brief* 2019/10. <https://openresearch-repository.anu.edu.au/items/54011a15-c107-44c0-bc8c-ae8b12b11bc3>

¹³⁷ Yang Mien-chieh & William Hetherington. 2024. Taiwan most affected by disinformation. *Taipei Times*. March 25. <https://www.taipetimes.com/News/taiwan/archives/2024/03/25/2003815440>

¹³⁸ Anouk Ride. 2024. Fake kidnaps and real dangers of disinformation in Pacific Islands. *Lowy Interpreter*. November 7. <https://www.lowyinstitute.org/the-interpretor/fake-kidnaps-real-dangers-disinformation-pacific-islands>

¹³⁹ Denghua Zhang. 2023. China's diplomacy and diaspora perceptions: Evidence from the Pacific region. *Asia & The Pacific Policy Studies*. 10(1): 46-62.

US Policy Recommendations

Half of diplomacy is showing up. INDOPACOM has a strong presence, but government and commercial actors need to show up more. As Pacific islands policymakers have limited resources—and personnel—it's important for US delegations to show up in the right way. Time-pressed, intense visits that focus on what the US side wants are counterproductive.

Encourage US trade and investment to the region, and work to remove barriers to doing business in the Pacific, such as the high cost of data for consumers across most of the Pacific, or the high cost of flights in the Northern Pacific brought about by United's monopoly.¹⁴⁰

A pillar of US soft power in the region are its social media companies, which could be involved in a far more constructive way, not just to counter disinformation of all stripes, but to come up with innovative approaches to development and health in remote communities.

The US, unlike China, has a large Pacific diaspora and strong connections through church groups. Leveraging this connection and avoiding punitive deportations will enhance America's image in the region. China, with its Han-centric ethnic policies, will never look more like a Pacific nation. By providing a pathway to citizenship for Pacific Islanders, the US will be more credible in its claims to be a Pacific nation.

Engage with friendlier parts of a decentralized and fragmented China. Xi Jinping is not forever, but PRC companies and migrants are in the region for the long haul. Many business and middle-class migrants have left China because they can't make a good life there. Treating them as agents of the PRC state plays into CCP narratives and abandons potentially invaluable sources of intelligence about what PRC actors are actually doing in the Pacific.

Support media and civil society groups. Investigative journalism in the Pacific relies heavily on US support—without the scrutiny of organizations such as OCCRP, Benar News, and Radio Free Asia, corrupt and criminal actors from the PRC and elsewhere will face far less resistance.

Encourage subnational diplomacy. US states, cities and even counties with Pacific diasporas could be encouraged to partner up with PICs.

Finally, influence operations to further US interests should be avoided—the Pacific is too small; you will get caught out.

Thank you for this opportunity and I look forward to addressing your questions.

¹⁴⁰ See Cleo Paskal. 2025. Examining the Office of Insular Affairs' Role in Fostering Prosperity in the Pacific Territories and Addressing External Threats to Peace and Security. Subcommittee on Indian and Insular Affairs. March 5. <https://www.fdd.org/analysis/testimonies/2025/03/05/examining-the-office-of-insular-affairs-role-in-fostering-prosperity-in-the-pacific-territories-and-addressing-external-threats-to-peace-and-security/>