

Associations and Agency: US-Pacific Island Relations Since 2015

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Introduction

In 2015, I wrote the piece “Still Missing in the Rebalance.”¹ Among the arguments I made then were that many elements of the Obama Rebalance policy had prior antecedents from the George W. Bush Administration prior to the September 11 attacks. Secondly, while certainly a significant allocation of resources were focused on the Middle East, much of the resources in what was then known as the United States Pacific Command were still focused on the Indo-Pacific region. Finally and most importantly, perception dominated reality, and the prevailing notion, was that the US had been “distracted” from issues in the Indo-Pacific due to activities in the Middle East thereby allowing other actors, most notably China, to fill this perceived vacuum.

Six years later, these main arguments still hold up, but there have been at least three issues that require updating. While the first is more a matter of degree, the other two were not anticipated in 2015 and are fairly significant, if not unprecedented, changes. It is clear that all of these issues highlight the need for greater and more visible responses on the part of many countries, to include the United States. These three issues are (1) the continued rise of China and the trajectory of US-China Great Power Competition, (2) The impacts of the COVID-19 pandemic, and (3) the fracturing of the Pacific Islands Forum. On this last event, what is clear

¹ <https://apcss.org/wp-content/uploads/2015/08/C4-StillMissingInRebalance-Shibuya.pdf>

is that the security environment and the Compact relationship with the United States have illuminated clear differences for the North Pacific and South Pacific states. While the Pacific Island Countries (PICs) overall may be “missing in the rebalance,” circumstances are such that the US Compact States may be actively bringing themselves into the security architecture of US Indo-Pacific Command (INDOPACOM).

China and US-China Competition

The so-called “rise of China” has been an ongoing issue for decades now, and one which regional countries (not only the Pacific Island Countries) have been navigating. The articulation in the Trump Administration’s National Security Strategy that “Great Power Competition” had returned² was hardly news to most in the Indo-Pacific region, who had been living with this reality and many of whom had already exhibited their “hedging” strategies to avoid being forced into unpleasant choices.³ In terms of the larger Indo-Pacific, 2017 saw the resurgence of the “Quad” arrangement between Australia, India, Japan and the United States (first established in 2007). Forming an “arc of democracy”⁴ around China, the Quad arrangement, while understandable in the geopolitical context, continues the overall rhetoric of the Oceania region as a “hole in the donut.” After all, “arcs” generally arch over empty space.

US-China competition clearly was well on its way but visible tensions certainly increased after the election of Donald Trump in 2016. The associated shift in rhetoric (and behavior, though much of the tension was arguably over form more than substance in the majority) regarding US-China relations had larger reverberations for the world, and PICs were no different. Relations between the United States and the PICs have always ebbed and flowed. The Oceania region has never been a major priority for

2 *National Security Strategy of the United States of America*, December 2017, p.27.

3 Evelyn Goh, *Meeting the China Challenge: The US in Southeast Asian Regional Security Strategies*, Policy Studies Monograph 16 (Washington DC: East-West Center, 2005). See also Goh’s excellent update in “Southeast Asian Strategies toward the Great Powers: Still Hedging after All These Years?” *The ASAN Forum* February 22, 2016, <https://theasanforum.org/southeast-asian-strategies-toward-the-great-powers-still-hedging-after-all-these-years/#2>

4 Richard Javard Heydarian, “Quad alliance forms ‘arc of democracy’ around China,” *Asia Times*, July 27, 2020, <https://asiatimes.com/2020/07/quad-alliance-forms-arc-of-democracy-around-china/>. The “arc of democracy” term was popularized by Japan’s then-Prime Minister, Shinzo Abe, back in 2007, with the initial establishment of the Quad arrangement. Note also that this is a different relationship than the earlier “Quadrilateral” meetings between Australia, France, New Zealand, and the United States that worked to synchronize those nations’ activities in Oceania.

US relations, generally only an afterthought to other regional or global priorities. Descriptions of the PICs being “pawns” in the geopolitical game or understanding the region as “the hole in the donut”⁵ have been common. The visible contrast to that of today’s China is clear, as Finin notes:

The Pacific’s political leadership has a clear understanding of China’s desire for strong bilateral relationships that will increase its influence. At the same time, official state visits like that of [Federated States of Micronesia’s] president provide a basis for comparison with Washington’s overall lack of high-level attention to the FAS, and the Pacific region more generally. Indeed, while on some rare occasions, Pacific Island leaders have had working meetings in the West Wing, there has never been a formal state visit to the White House for a Pacific Island leader or group of leaders. Over the last three decades, the US president has engaged with the Pacific Island leaders as a regional group on only four occasions, with each of these events taking place in Honolulu, Hawai‘i.⁶

While much of the criticism was valid, there were also efforts to shift this narrative during the Trump Administration. March 2019 saw visits to Vanuatu and the Solomon Islands by senior White House staff, including the senior director for Asian affairs and the director for Oceania and Indo-Pacific Security on the National Security Council. Adding to this was a working-level meeting convened on May 21, 2019 by President Trump with the Presidents of the Compact States: Hilda Heine (Republic of the Marshall Islands), David Panuelo (Federated States of Micronesia) and Tommy Remengesau (Republic of Palau). While the main focus for the meetings was the renegotiations of the terms of the Compacts of Free Association between the US and each of the three states, public state-

5 Robert Underwood, Keynote address to conference on Island State Security, Asia-Pacific Center for Security Studies, June 5, 2001, <http://www.pireport.org/articles/2001/06/14/congressman-robert-underwood>

6 Gerard A. Finin, “Associations Freely Chosen: New Geopolitics in the North Pacific,” in *The China Alternative: Changing Regional Order in the Pacific Islands* edited by Graeme Smith and Terence Wesley-Smith, Canberra: ANU Press 2021, p. 182.

ments prior to the meetings by Presidents Remengesau and Heine specifically noted China's growing influence in the region.⁷

Increasing concern and focus on Oceania by both China and the US is not limited to the respective governments. While there are long-standing institutions such as the East-West Center's Pacific Islands Development Report, the University of Hawai'i's Center for Pacific Island Studies, and the Daniel K. Inouye Asia-Pacific Center for Security Studies, all located in Hawai'i, Finin also notes the development of new centers in the United States, alongside new research programs and conferences from larger think tanks.⁸ On the China side, Paskal points to six Oceania-specific research centers established since 2012.⁹

The PICs are deeply tied to the military legacy of World War II, with places like Tarawa and Guadalcanal etched into the lore of the US military. The remnants of that conflict are still visible on or around many of the islands. While not a legacy they wish to repeat, international forces are encouraging greater military presence in the region and, perhaps, back on the islands themselves. First, there was a request from President Tommy Remengesau in 2019 for the US to build a military base in Palau.¹⁰ Remengesau's successor, Surangel Whipps, Jr., has reinforced this invitation.¹¹ The Peleliu Port has long been a coveted location by the US Navy. (Even this is not a completely unprecedented offer, as in 2010 the Palau Senate approved a resolution asking then-President Toribiong to offer use of Angaur State Airfield as a replacement for the Futenma Airbase on Okinawa).¹²

Palau is not the only Compact nation to make a presidential-level request for the US to consider a larger and more persistent military

7 Finin, pp. 169-170.

8 Finin, p.169.

9 Cleo Paskal, "The Strategic Importance of the Pacific Islands," testimony to the Subcommittee on Asia, the Pacific, Central Asia, and Nonproliferation, October 20, 2021.

10 Gordon Lubold, "U.S. Military is Offered New Bases in the Pacific," *Wall Street Journal*, September 8, 2020, <https://www.wsj.com/articles/u-s-military-is-offered-new-bases-in-the-pacific-11599557401>. Bernadette Carreon, "Palau invites US military to build bases as China seeks regional clout," *Yahoo News*, September 4, 2020, <https://www.yahoo.com/now/palau-invites-us-military-build-012513813.html>

11 Richard S. Ehrlich, "Tiny Palau in not-so-pacific middle of US and China," *Asia Times*, May 8, 2021, <https://asiatimes.com/2021/05/tiny-palau-in-not-so-pacific-middle-of-us-and-china/>

12 Bernadette H. Carreon, "Palau Senate offers home to Okinawa Military Base," *Pacific Islands Report* April 28, 2010, <http://www.pireport.org/articles/2010/04/28/palau-senate-offers->

presence. Negotiations with the Federated States of Micronesia (FSM) for a “more frequent and permanent US Armed Forces presence” came in July 2021.¹³ While there are concerns over the details of the base in Micronesia, FSM President David Panuelo noted the special relationship in the Compact that obligates the US to defend FSM as if it were the United States.¹⁴ The Compact obligation from the US is arguably its highest level of security commitment the US has with another nation: to defend it as the US would defend itself. Even NATO’s oft-cited Article 5 is a reactive commitment to consider an attack on one member an attack on all members. While this wording has been present since the Compact relationship began, domestic politics on both sides have generally kept a stronger push for large US military access on the Compact States (Kwajalein Atoll excepted) to a minimum. The fact that both Palau and FSM have come forward at this time asking for a larger military commitment is a testament to the changing geopolitical situation in the region.

To date, there has not been much public negotiation between the PICs and Beijing over Chinese military presence on the islands.¹⁵ That said, the discussions in Palau and FSM can be contrasted with the Chinese agreement in 2018 to fund the development of Luganville Port in Vanuatu. The port is now the largest in the South Pacific and its depth would accommodate aircraft carrier size vessels. Both Beijing and Port Vila deny any discussions of a Chinese military presence in Vanuatu, but Australian national security sources have expressed concern over such overtures.¹⁶ Other scholars argue that the voiced concerns over Chinese presence in

home-okinawa-military-base

13 Kevin Knodell, “Micronesian President Discusses Military Issues During Hawaii Visit,” *Honolulu Civil Beat*, July 28, 2021, <https://www.civilbeat.org/2021/07/micronesian-president-discusses-military-issues-during-hawaii-visit/>

14 Ashley Westerman, “The US is building a military base in the middle of the Pacific Ocean. Micronesian residents have questions,” *The World*, August 24, 2021, <https://www.pri.org/stories/2021-08-24/us-building-military-base-middle-pacific-ocean-micronesian-residents-have>. The text itself reads, the United States has “the obligation to defend the Federated States of Micronesia and its people from attack or threats thereof *as the United States and its citizens are defended*” (emphasis added).

15 Arguably, the most significant overt Chinese military presence in Oceania was the satellite tracking station in Kiribati, established in 1997 but removed in 2003 when Kiribati switched recognition to Taiwan. Beijing and Kiribati restored relations in 2019 but as of October 2021 the tracking station has not been replaced.

16 David Wroe, “The great wharf from China, raising eyebrows across the Pacific,” *Sydney Morning Herald* April 11, 2018, <https://www.smh.com.au/politics/federal/the-great-wharf-from-china-raising-eyebrows-across-the-pacific-20180411-p4z8yu.html>.

Oceania can be likened to the Cold War fears of Soviet incursion into the region in the 1980s, which proved more hyperbole than anything else.¹⁷

The contrast lies in the focus of concern and effort, with the Australian (and by extension, US) focus on potential military applications of national power, while the more long-standing and difficult problem may in fact be the economic influence that China will gain by the port. Unlike the Soviets, the economic engine that is China is proving a more difficult issue to navigate, with fears of “debt-trap diplomacy” proving a more likely (and possibly more dangerous) long-term threat to Western interests.¹⁸

Impacts of the COVID-19 Pandemic

The COVID-19 pandemic created international impacts recalling parallels to the Great Influenza of 1919. (1919 resulted in 50 million deaths, about 2.1% of the world’s population). Early on in the pandemic’s spread, the island states remained relatively isolated from infection due to their distance and the quick closing of borders by political leaders.¹⁹ While this protected these small populations from the virus early on, eventually cracks in the armor were revealed, and infections are continuing to rise. Also, these overarching closures resulted in severe economic hardship for the island states.²⁰ While there had been some concern that these small states would be forgotten in the mix to distribute vaccines, Australia and New Zealand (among others, to include work by the World Health Organization) have generally ensured the islands have not been missed. (The United States has

17 Jon Fraenkel, “China in the Pacific: where there’s smoke, there’s mirrors,” *East Asia Forum*, April 23, 2018, <https://www.eastasiaforum.org/2018/04/23/china-in-the-pacific-where-theres-smoke-theres-mirrors/>

18 Brahma Chellaney, “China’s debt-trap diplomacy,” *The Hill*, May 2, 2021, <https://thehill.com/opinion/international/551337-chinas-debt-trap-diplomacy>. The most often cited example is the 99-year lease obtained by China for parts of the Port of Hambantota in Sri Lanka. However, Deborah Brautigam and Meg Rithmire argue that the characterization of the situation in Sri Lanka has been misleading. See “The Chinese ‘Debt Trap’ is a Myth,” *The Atlantic*, February 6, 2021, <https://www.theatlantic.com/international/archive/2021/02/china-debt-trap-diplomacy/617953/>

19 Jonathan Pryke, “The Pacific went a year without COVID. Now, it’s all under threat,” *The Conversation*, April 29, 2021, <https://theconversation.com/the-pacific-went-a-year-without-covid-now-its-all-under-threat-158963>.

20 Roland Rajah and Alexander Dayant, “Avoiding a ‘Lost Decade’ in the Pacific,” *The Interpreter*, December 16, 2020, <https://www.lowyinstitute.org/the-interpreter/avoiding-lost-decade-pacific>

included the Compact States in its “Operation Warp Speed” program). The concern now has not been supply, but effective distribution.²¹

Secondly, while the ability to close off its borders with no small effectiveness kept infection rates down, the economic impacts have been significant. The near-universal stoppage of international movement made it impossible for states which may have lost travelers from one area to make up for it by gaining tourists from another. With the enormous revenues from tourism suspended through much of 2020, some estimate the recovery back to pre-COVID levels might take through 2028.²² There are some PICs that do not rely as heavily on tourism. The FSM, for example, with much of its economy from fisheries and Compact payments, was able to buttress its economy with stimulus funds.²³ The impacts of the pandemic turned longtime discussions of an overreliance on a single sector such as tourism into a harsh reality.

The Breakup of the Pacific Islands Forum

The island nations have long searched for a greater sense of regional identity, something that would allow for them to speak as a more unified voice in the international community. Early regional organizations were dominated by colonial powers and/or prohibited discussion of “political issues.” Even as those barriers have come down, the power of regional organizations to serve as amplifiers for island interests has been limited.²⁴ Attempts to draw a larger mental sense of an island community can be found in Epeli Hau’ofa’s classic essays, “Our Sea of Islands,” and “The Ocean in Us.”²⁵ Hau’ofa’s sentiment continues in the articulation of the “Blue Pacific.” The idea that the water is not a barrier but connects the people of the island states, as evidenced by its great history of maritime navigation

21 Pryke

22 Ashley Westerman, “The pandemic wiped out tourism on Pacific island nations. Can they stay afloat?” *The World*, January 28, 2021, <https://www.pri.org/stories/2021-01-28/pandemic-wiped-out-tourism-pacific-island-nations-can-they-stay-afloat>

23 Westerman

24 See generally Eric Shibuya, “Problems and Potential of the Pacific Islands Forum,” in *The Asia-Pacific: A Region in Transition*, (Jim Rolfe, Editor), Honolulu: Asia-Pacific Center for Security Studies, 2004.

25 Epeli Hau’ofa, “Our Sea of Islands,” *A New Oceania: Rediscovering Our Sea of Islands*, edited by Vijay Naidu, Eric Waddell, and Epeli Hau’ofa. Suva: School of Social and Economic Development, The University of the South Pacific, 1993 and “The Ocean in Us,” *The Contemporary Pacific* 10, 2 (Fall 1998).

and travel, reconceptualizing the PICs from “small island states” to “large ocean states.” As Wyeth says, “While it would be overstating their influence to suggest that these new multilateral initiatives focused on ocean welfare are the sole outcome of Pacific diplomatic activity, it would also be remiss to underestimate their influence. In recent years Pacific Island states have developed a much more assertive diplomatic posture, becoming highly active in promoting agendas that are vital to their interests, and using the weight of their votes to try and shape the issues that the UN and other multilateral forums deal with.”²⁶

As powerful as it is as an emotional concept, the rhetoric ran up against regional/interisland tensions almost as soon as it started. The “Blue Pacific Continent” suffered its first break with the withdrawal of the Micronesian PICs (Federated States of Micronesia, Republic of Palau, Republic of the Marshall Islands, Kiribati, and Nauru) from the Pacific Island Forum (PIF). The triggering event for the withdrawal was the selection of former Cook Islands Prime Minister Henry Puna as Secretary-General of the PIF.²⁷ Micronesian leaders felt slighted after the close vote that led to Puna’s appointment, suggesting that the “gentleman’s agreement” that the position generally rotates between the three major island groups (Melanesia, Polynesia, Micronesia) had been violated.²⁸ Doherty points to the effects of the pandemic creating a situation where less face-to-face interactions occurred this past year. Those touchpoints, so important in nearly all cultures, but perhaps especially so in small island societies, may have hindered the general consensus-building experience usually found in the Forum, thereby making the “gentleman’s agreement” less powerful.²⁹ (It

26 Grant Wyeth, “Paying Attention to the Blue Pacific,” *The Diplomat*, October 30, 2018, <https://thediplomat.com/2018/10/paying-attention-to-the-blue-pacific/>

27 “Micronesian nations to leave Pacific’s peak regional body, leaving it in disarray,” Pacific Beat, February 9, 2021, <https://www.abc.net.au/news/2021-02-09/five-micronesian-nations-set-to-quit-pacific-islands-forum/13133600>

28 Bernadette Correon, “Pacific Islands Forum in crisis, as one-third of member nations quit,” *The Guardian*, February 8, 2021, <https://www.theguardian.com/world/2021/feb/09/pacific-islands-forum-in-crisis-as-one-third-of-member-nations-quit>.

29 Ben Doherty, “Zoomed to fail? Cracks appear in Pacific Islands Forum as Covid pulls nations apart,” *The Guardian*, February 1, 2021, <https://www.theguardian.com/world/2021/feb/02/zoomed-to-fail-cracks-appear-in-pacific-islands-forum-as-covid-pulls-nations-apart>

should be noted that despite the rhetoric of this agreement, the “rotation” of the Forum’s top position has not been completely in accordance).³⁰

This withdrawal should be evaluated in terms of the power of regional cooperation and the amplifying force of speaking as one. Certainly, the loss of nearly a third of its membership cannot be considered a success. However, especially since the entry of the Compact States into the Forum, there have always been tensions between the islands of the North Pacific and those below the equator, with Micronesian states feeling that they have been looked down upon by their South Pacific neighbors.³¹ If these wounds are not healed, the loss of these members will certainly hurt the collective voice of the Forum, but this could only be for the short term if the remaining members are adept. Certainly, there will continue to be concerns that Australia and New Zealand will dominate the Forum (but that concern exists regardless of the Micronesian membership), but a return to the “South Pacific Forum” may in fact allow the remaining members to build a more coherent agenda. An association of the North Pacific island states (which did meet in caucus at PIF meetings) is perhaps less likely given the compact agreement between the US and only three of the five Micronesian nations.³²

The schisms that led to the Micronesia departure highlights two significant things. First, the PICs are not monolithic, and the bias to treat them as such, to expect institutions like the Forum to serve as an amplifier ignores that the PICs do not speak as a single voice on many issues. Perhaps of greater importance, this split should serve as a clear reminder for

30 Deon Canyon, “Time for the Pacific Islands Forum to Step-Back and Heal,” *DKI APCCSS Security Nexus*, February 2021, https://apcss.org/wp-content/uploads/2021/02/Canyon_PIF_Step_Back_R2.pdf

31 Mala Darmadi, “Micronesian President flags quitting Pacific Island forum over SG election,” *Pacific Beat*, February 4, 2021, <https://www.abc.net.au/radio-australia/programs/pacific-beat/fsm-pres-covid-pif/13120114>

32 Paskal makes a provocative recommendation in her Congressional testimony that the US should offer Compact status to Kiribati and Nauru. Though she notes potential resistance from Australia regarding Nauru, the US may also be reluctant to enter into agreements that politically could be painted as fiscally irresponsible. More importantly, these nations get a choice too. It would certainly be an interesting discussion for Kiribati to choose between a Compact relationship with the US (which would include the right of strategic denial) and the benefits of the Chinese satellite tracking station (and the other associated benefits that come with a cordial relationship with Beijing).

the world that the PICs are independent agents capable of independent choices.

Indeed, one can go even further to note that not all of the PICs are, in and of themselves, “nations” in the political science understanding of “shared community.” Ethnic tensions have reared their ugly head in places like Bougainville, Fiji, and the Solomon Islands. The island state of Chuuk, the largest in the FSM, has in the past made some grumbling mention of separation from the rest of the FSM, alleging that if they were separate, they would gain greater financial contributions from the Compact arrangement. This notion is theoretical, and the US has been adamant that, should separation occur, payments would stop. However, with the potential that Compact payments will drop anyway in the newest rounds of negotiations (the current Compact financial arrangements end in 2023), Chuuk could possibly consider closer ties to China. Chuuk lagoon would certainly be of strategic interest to China.³³

Conclusion

Alternative/expanded security arrangements in the Indo-Pacific continue to leave out the PICs. The Quad arrangement is yet another Great Power arrangement in the region with little focus on the PICs, its “arc of democracy” in fact “arc-ing” over the islands themselves. Traditional partners (and Forum members) New Zealand’s “Pacific Reset” and Australia’s “Pacific Step Up” announcements have proven both more culturally sensitive but still regarded as neocolonial. Familiarity has, to some extent, bred contempt and many of the Island states have seen China not as an outside destabilizing force but as the new balancer to the western powers.

For all of the Western “understanding” of China’s ability to “play the long game,”³⁴ the West fails to understand the scope of the game, focusing almost exclusively on our military options and on China’s growing military capabilities when the greater concerns of diplomatic and economic influence are the real “long game.” Pundits often quote Sun Tzu’s observation, “to win without fighting is the acme of skill,” but miss its central point. To “win without fighting” isn’t the Art of “War,” but rather the art of

33 Finin, p. 185

34 Rush Doshi, *The Long Game: China’s Grand Strategy to Displace American Order*, Oxford: Oxford University Press, 2021.

“Strategy,” of achieving one’s objectives without the danger of sacrificing blood and treasure.

The US needs to put much greater effort into dealing with the PICs as independent agents, and these relationships do not have to be zero-sum calculations with other agreements. The US part of the Quad arrangement, for example, is, in fact, enhanced by better relations with the Compact States, most notably the possibility of a more robust US military presence in Palau and FSM. As Paskal says, “Instead of thinking of the region as pawns to be played with, stolen, or “integrated,” the operational reality of each country needs to be understood so that they see partnerships as a benefit to their people.”³⁵ If we fail to understand that the PICs can all make different choices, we will establish a context where their choices will be increasingly constrained, and very likely inimical to US interests. As Representative Ed Case notes clearly, “If we leave [the Pacific Islands] to themselves, if we disengage, if we ignore, if we don’t show up — they will have no choice but to take different directions.”³⁶ While initially being ignored in the rebalance, Palau and FSM are making choices to actively be part of it. The US should not ignore these shifts. The US must also be willing to understand island perspectives, particularly on issues like climate change, which are not simply “national security” threats to the PICs, but existential ones. Mutual understanding and mutual cooperation will be the only way to bridge the gap between “INDOPACOM” and “the Blue Pacific.”³⁷ The region is no longer “missing” in the rebalance, but we cannot keep making the mistakes of seeing the region as a unified whole, nor can we keep thinking of the PICs as mere objects. We will have to consider how each state “leans” in the “rebalanced” world of Great Power Competition.

While, on the one hand, small populations, landmass, and infrastructure, along with great travel distances, make large and frequent interactions with island leaders less tenable, the fact is that a little can go a long way in those small populations. The volume of interaction isn’t really the point, but the density of those exchanges, and how deep and meaningful they can be. Some countries, such as FSM and Palau, are clearly trying to

35 Cleo Paskal, “How the Pacific Islands Forum Fell Apart,” *The Diplomat*, February 10, 2021, <https://thediplomat.com/2021/02/how-the-pacific-islands-forum-fell-apart/>

36 Quoted in Paskal, “Strategic Importance of the Pacific Islands”

37 Wesley Morgan, “Oceans Apart? Considering the Indo-Pacific and the Blue Pacific,” *Security Challenges* 16, 1 (Special Issue: How does the ‘Pacific’ fit into the ‘Indo-Pacific?’) 2020.

balance with the US, inviting greater military presence, while others are continuing to hedge. The United States cannot have an “Oceania” policy. It needs to recognize the diversity of cultures and interests of each Pacific Island Country in order to develop a policy that both the United States and the island nations find agreeable.