

SPECIAL REPORT

A S P I

Chinese influence in the Pacific Islands

The yin and yang of soft power



Richard Herr

A S P I

AUSTRALIAN
STRATEGIC
POLICY
INSTITUTE

April 2019

About the author

Richard Herr OAM is the academic director of the parliamentary law, practice and procedure course in the Faculty of Law at the University of Tasmania. He has served as a consultant on regional architecture to the governments of the Pacific Islands on various occasions since 1976. Professor Herr has held visiting positions in Fiji, Hawaii and New Caledonia and the USSR, including the posts of Honorary Director of the Centre for International and Regional Affairs at the University of Fiji and Adjunct Professor of Governance and Ethics at the Fiji National University.

About ASPI

ASPI's aim is to promote Australia's security by contributing fresh ideas to strategic decision-making, and by helping to inform public discussion of strategic and defence issues. ASPI was established, and is partially funded, by the Australian Government as an independent, non-partisan policy institute. It is incorporated as a company, and is governed by a Council with broad membership. ASPI's core values are collegiality, originality & innovation, quality & excellence and independence.

ASPI's publications—including this paper—are not intended in any way to express or reflect the views of the Australian Government. The opinions and recommendations in this paper are published by ASPI to promote public debate and understanding of strategic and defence issues. They reflect the personal views of the author(s) and should not be seen as representing the formal position of ASPI on any particular issue.

Important disclaimer

This publication is designed to provide accurate and authoritative information in relation to the subject matter covered. It is provided with the understanding that the publisher is not engaged in rendering any form of professional or other advice or services. No person should rely on the contents of this publication without first obtaining advice from a qualified professional.

Chinese influence in the Pacific Islands

The yin and yang of soft power



Richard Herr

A S P I

AUSTRALIAN
STRATEGIC
POLICY
INSTITUTE

April 2019

© The Australian Strategic Policy Institute Limited 2019

This publication is subject to copyright. Except as permitted under the *Copyright Act 1968*, no part of it may in any form or by any means (electronic, mechanical, microcopying, photocopying, recording or otherwise) be reproduced, stored in a retrieval system or transmitted without prior written permission. Enquiries should be addressed to the publishers. Notwithstanding the above, educational institutions (including schools, independent colleges, universities and TAFEs) are granted permission to make copies of copyrighted works strictly for educational purposes without explicit permission from ASPI and free of charge.

First published April 2019

Published in Australia by the Australian Strategic Policy Institute

ASPI

Level 2
40 Macquarie Street
Barton ACT 2600
Australia

Tel + 61 2 6270 5100

Fax + 61 2 6273 9566

Email enquiries@aspi.org.au

www.aspi.org.au

www.aspistrategist.org.au



Facebook.com/ASPI.org



@ASPI_org

CONTENTS

EXECUTIVE SUMMARY	4
INTRODUCTION	8
SOFT POWER AND INFLUENCE	9
INFLUENCE AND THE SOFT-POWER NARRATIVE	10
THE YIN AND YANG OF SOFT POWER	12
CHINESE SOFT POWER AS POLICY	15
EVALUATING CHINESE SOFT-POWER EFFECTS IN THE PACIFIC ISLANDS	21
CONCLUSIONS AND SOME RECOMMENDATIONS FOR AUSTRALIA	31
NOTES	35
ACRONYMS AND ABBREVIATIONS	38

EXECUTIVE SUMMARY

Over the past two decades, the People's Republic of China (PRC) has emerged as the most prominent new star in the firmament of Pacific Island affairs. Depending on the metric used, the PRC is now the second most engaged external power in the region. Beijing has made policy decisions and devoted significant resources during this time to build its stock of soft power in the region to support its expanding influence. Is it reasonable to conclude that China's growing influence in the South Pacific is a consequence of a successful soft-power campaign? This report argues against rushing to such a finding.

The admiration that Pacific Island states feel for China is genuine. However, on balance, China's current regional soft power lacks breadth and depth, although it's still evolving. A major reason for querying the strength of Chinese soft power in the Pacific Island region is its limited texture. While not entirely unidimensional, Beijing's approach to cultivating soft power uses different methods and measures from those adopted under the Western view of soft power. The Western grassroots emphasis isn't a significant focus for Chinese public diplomacy. Multilateral cooperation to promote shared objectives, which has been so important to Western relations with the region for three-quarters of a century, is largely absent. Bilateral ties built through establishing high-level elite contacts and based in transactional relations of trade and aid have characterised most of Beijing's foundations for soft power in the region.

The pragmatism of China's elite diplomacy as a vehicle for developing soft-power influence in the Pacific Islands has both pluses and minuses. Through its South–South cooperation narrative, China manages to cultivate the idea that, like the Island states, it too is a developing country, despite its current wealth and technologically sophisticated economy. That narrative has helped to reinforce its anti-colonial credentials and distinguish its relationships from the earlier colonial relationships of the region's traditional friends. Treating Island leaders with all the courtesies and ceremony bestowed on those of larger powers is both tactical and strategic. As a technique, it's had a winning effect not just on the leaders but also, through national pride, on their publics at home, all the while reinforcing China's solidarity with anti-colonial values.

All in all, it may be that China's current influence in the Pacific Islands isn't so much a consequence of its soft power as of its economic influence. Especially when implemented as an expression of South–South cooperation, that influence is building a level of engagement, respect and esteem that's deepening the well of Beijing's soft power in the region. Irrespective of cause and effect, China enjoys extensive influence across the region, and that's affecting the relations that the Island countries have with their traditional friends, including Australia. Of course, as extensive as the PRC's influence can appear, this region is also home to the greatest single concentration of states that recognise Taipei in preference to Beijing.

It isn't clear that there's a zero-sum relationship between the quanta of Chinese and Australian soft power in the region. Operating on the assumption that there is contributes to an impression that the Island states need to choose between the two as their partner of choice—an idea on which there's already pushback in the region.¹ Even if the options for cooperation between the PRC and Australia prove stronger than strategic competition, adjustments will have to be made to accommodate the changing interests of the Islands as they deal with a rising and more assertive

China. Such considerations raise questions as to what will constitute a meaningful Australian response to the new regional dynamics in the wake of increasing Chinese influence. Does Australia have to choose starkly between the ‘China threat’ or ‘peaceful rise’ scenarios or is there a policy ‘yin and yang’ to finding a balance of cooperation and competition?

The options available to Australia for responding effectively to the influence that Chinese soft power affords Beijing in the Pacific Islands will be set by the fundamentals of extra-regional relations. The critical first hurdle is to resolve our own national view of appropriate relations with the PRC. This continues to be challenging for Canberra, given our very substantial economic relationship with China on the one hand and our Western-based security interests on the other. Then Prime Minister Malcom Turnbull recognised that in launching the *2017 Foreign Policy White Paper*, when he observed, ‘This is the first time in our history that our dominant trading partner isn’t also our dominant security partner. We must see this as an opportunity not as a risk.’²

The White Paper struck an optimistic tone on the risks of Chinese hard power by welcoming ‘China’s greater capacity to share responsibility for supporting regional and global security’. However, this appears to be more an aspiration than a clear policy for cooperation in the Pacific Islands. Dealing with China as a ‘frenemy’ has complications for Australia economically but is still much easier than finding a sustainable and compatible strategic posture for Australian national interests.³ Finding the right cooperation–competition balance for a policy on Chinese soft-power influence in South Pacific is a microcosm of the national debate within Australia at one level but is complicated at the international level by the separate national interests of the Island countries.

This report doesn’t canvass the hard-power issues in China’s relationship with the Pacific Islands. Nevertheless, such an assessment is essential to set the basis for responding to China’s soft power and its consequential influence in the region. There’s a vast policy grey area between the ‘friend’ and the ‘enemy’ ends of the ‘frenemy’ continuum. A clearer policy line on Australia’s relationship with the PRC, including a public assessment of the nature and extent of any perceived PRC security threat in the region, could help to reduce some of the diplomatic bushfires and ‘zombie memes’ created by ill-informed and at times hyperbolic media commentary on security interests in the Pacific Islands. It is ironic, for example, that some media contributed to bruised relations with Vanuatu by claiming a serious strategic threat from a ‘dual-use’ wharf in Luganville and failed to notice months later, when creating an incident in Fiji over spying, that a People’s Liberation Army Navy vessel was berthed beside an Australian military vessel at the ‘dual-use’ pier in Suva harbour.

Sharp-power risks fall onto the cusp of the hard power versus soft power debate, but are treated only marginally in this report. They can be considered to be part of national cybersecurity concerns with China, such as those that caused Australia to interdict the Huawei internet cable projects in Papua New Guinea⁴ and Solomon Islands. ‘Sticky’ power is also only tangential, as concern about it mainly involves regional and global economic policies beyond the scope of this project. Both are serious matters, nonetheless, and do affect the question of soft power for more than semantic reasons.

So, within the limits of this policy ambiguity, what can Australia do about Chinese soft power and influence in the Pacific Islands? We have such a substantial lead in soft-power influence that the better strategy appears to concentrate on improving those assets that have made our soft power so influential for decades, rather than responding negatively to counter much more limited and still evolving Chinese soft power in the region.

This report examines the nature of Chinese soft power and proposes a positive agenda for Australia, rather than a negative one based on countering Chinese influence.

Recommendations

The following recommendations seek to better leverage Australia's soft-power strengths to achieve influence through greater mutual benefits with our neighbours. On balance, it's likely to be counterproductive to attempt to focus policy and action on neutralising China's soft-power influence, thus creating what might be unnecessary and counterproductive tensions with Beijing and possibly suggesting to long-time regional friends that they should choose sides.

Recommendation 1: Don't engage in a blame game over 'who lost the Pacific to China'

The argument that Australia somehow neglected the Pacific Islands and allowed Chinese soft-power influence to grow is faulty.

It denies the undeniability of China's increase in power and influence globally over recent decades.

This debate has already inflicted some harm on Australia's soft power in the region by reviving colonialist imagery of possession and dominance.

Recommendation 2: Appreciate and make better use of Australia's range of grassroots assets

We have a significant edge over China in people-to-people relations across the gamut of community interests throughout the region.

Our virtually unparalleled access throughout the region is already mobilised episodically and opportunistically, but more could be done to create synergies for soft-power influence.

Coordination among various transnational associations and organisations would have a multiplier effect in helping to solve problems in health, education, poverty relief and the like.

Recommendation 3: Promote soft power through small and micro-enterprises

Small and micro-enterprise development needs to be addressed for various reasons, including improving the quality of life in villages and remote areas, slowing the rural drift to towns and reducing the risk of social tensions.

The efforts of non-government organisations have made a difference in some localities by providing administrative support, knowledge transfers, networking assistance and the like and should be given further support.

Recommendation 4: Manage Australia's elite soft-power assets effectively

Australia has been intimately involved in instigating, developing, supporting and participating in the regional governance system.

However, there are concerns in Pacific Island states about the use of regional mechanisms to deal with specific problems and about Australia's position on the existential threat that climate change poses to the region.

Shaping and promoting the values that hold the region together, as well enabling Island states to meet their individual national objectives, is an enormous soft-power asset. We need to protect it by listening with greater sensitivity.

Recommendation 5: Promote twinning to improve knowledge and share experience

Australia needs to bolster the existing twinned relationships between state and territory parliaments and Pacific Island parliaments.

We should expand such efforts to include police forces, emergency services and schools.

Recommendation 6: Strengthen soft-power assets in Australia

The contributions of the Pacific Islander diaspora in Australia should be better recognised and should be used to understand developing issues and trends in the region.

The Seasonal Worker Programme and the complementary Pacific Labour Scheme both offer opportunities to develop selected, aid-supported, short skills courses for participating Pacific Island workers.

Recommendation 7: Avoid the appearance of competitive aid-giving (dollar diplomacy)

Australia should stop reinforcing the appearance of competitive aid-giving with regard to China in the region.

Competition in aid goes against the Cairns Compact on more effective aid coordination.

Recommendation 8: Invest in smarter infrastructure development

Australia should differentiate its approach to infrastructure investment from the current Chinese model.

We should make close consultation on localising plans and using local labour an essential focus of development plans.

Funding for skills training and administrative mentoring components in projects should be made available to Australian firms competing privately for infrastructure projects in the region.

Recommendation 9: Promote soft power through information for open societies

China has made a significant contribution to regional journalism by providing technical skills training.

Australia can do better in this domain than China, since our journalists aren't subject to state-sponsored censorship and self-censorship.

We should fund a regular program training journalists in data-gathering, analytical skills, fact-checking, legal rights and journalistic integrity.

INTRODUCTION

In less than two decades, the People's Republic of China (PRC)⁵ has emerged as a key aid, investment and trade partner for most states in the South Pacific. China ranks first in trade across the region and second in both investment and aid.⁶ Because this level of engagement both demonstrates and creates influence, the Chinese presence in the Pacific Islands⁷ has become a hot-button issue that in some quarters has been almost incandescent. Reports of a prospective military base in Vanuatu, debt traps, spy ships and 'roads to nowhere' have excited media alarm and a great deal of commentary on strategic perils to Pacific Island, Australian and Western security interests.

The strategic underpinning for those concerns is Chinese soft power. A current explanation for the PRC's rapid and deep penetration of the region is that Beijing has beguiled the Islands through the attraction of soft power. This soft-power thesis suggests that China has influence based on positive features that make South Pacific countries want to accept it as a trustworthy friend and partner. It's then argued that Beijing is promoting an uncritical acceptance of the Chinese state's goodwill through shared South-South values and experience. The ultimate aim of the Chinese state is assessed to be a realignment in political attitudes and policies, which, in turn, will confer hegemonic leadership on it and seriously weaken the influence of the region's traditional friends.

Just what are those features and how have they worked to give Beijing soft-power influence in the Pacific Islands? Assessing how far soft power can explain the rapid extension of Chinese influence is a difficult analytical problem at several levels. An extreme position simplifies the matter by asserting that every advantage China has secured without the use of hard power is evidence of Chinese soft power.⁸ That contention is so sweeping as to make the concept of soft power almost meaningless. A more nuanced view of soft power is necessary if this concept is to have any analytical or policy utility for understanding Chinese influence in the South Pacific.

China certainly enjoys soft-power influence in the Pacific Islands, but not every relationship is a consequence of soft power. This report argues that many of China's relationships in the Islands can be explained by factors other than soft power's capacity to influence. States habitually engage with other states through relations that don't necessarily depend on a state's attractiveness, and their relations don't always express a deeper level of trust, respect and esteem. In addition to routine transactional exchanges, other forms of engagement can involve influence being exerted through 'sharp power' or 'sticky power'. Manipulative or corrupt practices may be effective in achieving influence, but they don't build the respect and trust inherent in the concept of soft power. Indeed, they may even prove antithetical to it.

Significantly, a state's soft-power attractiveness very much depends on perceptions. This report considers three relevant 'lenses' for perceiving Chinese soft-power influence in the South Pacific. First, the PRC's deliberate policy of attempting to achieve influence through soft power is an important indicator of what it deems to be its soft-power assets. However, those aren't necessarily the assets that South Pacific states and their people perceive to be important as they view their relations with China; that's the second lens. Australia's perceptions of what it regards as Chinese soft-power assets is an important third lens through which to consider policy responses that Canberra might make in this region to respond to China's growing influence.

SOFT POWER AND INFLUENCE

Joseph S Nye Jr coined the concept of 'soft power' in 1990 to describe the influence a state can enjoy on other states based on the attraction arising from the positive appeal of the state's culture, political ideals and policies.⁹ Soft power is expressed through an alignment of approaches and policies because states want to associate with one another cooperatively based on trust, mutual respect and esteem. The concept was an attempt to help explain how the US achieved international leadership based on the admiration that other states had for its values, stability, economic success and political openness.

Nye contrasted soft power with the coercive use of 'hard power', which revolves around using force, or threatening to use it, to secure compliance with a country's foreign policy objectives. The distinction between the two is clearly in evidence today in the US. Currently, the Trump administration's reliance on sanctions and tariffs demonstrates a policy shift towards coercive influence (that is, hard power) and away from earlier administrations' preferences for using trust and respect (that is, soft power) to secure many of their foreign policy objectives.

Nations' hard-power assets have traditionally been both clear and fairly easily quantifiable. Realists see hard power as those elements of military and economic strength that can be credibly used to secure compliance with the state's wishes, either directly or by threat. Hard-power assets need not be used openly to be effective. They can be created and their physicality demonstrated through military parades, war games or even proxy conflicts to demonstrate hard-power strength. Soft power, by contrast, can be neither unilaterally created nor independently verified.

A state's soft-power assets can include any features that other states perceive as attractive and that generate a sense of trust, respect and esteem. Factors such as a country's values, stability, economic success, cultural attractiveness and shared experiences come into this assessment. A critical feature of soft power is the way it's recognised. A state can foster soft power but can't unilaterally create it in the way that hard-power assets can create hard power. A state can promote awareness of its virtues to build trust and respect but can't compel other states to admire or trust it.

Thus, soft power shouldn't be understood as a tool—a diplomatic device that can be wielded against another state. It is a milieu or environment that, if it exists, enables a state in its relations with other states to pursue objectives effectively with a minimum of friction and, often, with less expenditure of diplomatic or economic resources. Voluntary alignment of foreign policy aims and relationships requires the mutual trust, respect and esteem inherent in soft power.

While soft power can't simply be created or imposed, it can be cultivated and, importantly, preserved through mechanisms that build confidence between states, their political elites and their peoples. Soft power exists when states engage cooperatively in pursuit of mutual interests based on mutual trust and esteem. In 2018, Foreign Minister Julie Bishop reified the ideal of soft-power success in her expressed desire for Australia to be the 'partner of choice' for our Pacific neighbours.¹⁰

INFLUENCE AND THE SOFT-POWER NARRATIVE

Not surprisingly, the seismic shift in world geopolitics caused by the Chinese state's emergence as a global power has provoked a substantial industry in analysing, understanding and predicting what it means for other states and for the global order. Concern, envy and fear vie with greed and opportunity-seeking in response to China's rise. For its part, Beijing has sought to allay fears of a 'China threat' while seeking to leverage its extraordinary transformation into the respect that will deepen its influence. President Hu Jintao advanced the narrative of a 'peaceful rise' to limit overt opposition to the PRC as it carved out a larger niche for both its economic and its security interests.¹¹

There are two prongs to the policy of spruiking the 'peaceful rise' explanation for China's ascent to global power. The 'peaceful' tine aims to minimise alarm at the vast expansion of its military capacity to give China the hard power commensurate with its great-power status. The 'rise' tine (restyled sometimes as 'development') aims to focus on the economic opportunities available through engaging with China's economic energy. Selling the peaceful rise story is what has linked this policy to soft power. As Nye has argued, creating an acceptable 'narrative' is a core element in explaining power shifts based in the concept of soft power.¹²

The peaceful rise versus China threat scenarios present a continuing policy dilemma for many states, perhaps because the two elements seem to be simultaneously true rather than a binary choice. Regardless of Beijing's explanations, the relative newness of its economic strength and more obvious expressions of military might (as in its militarisation of the South China Sea) raise legitimate questions about how China will use its various levers of power as the reach of its influence continues to expand. Michael Collins, an official of the US Central Intelligence Agency, argued in July 2018 that China has embarked on waging a new 'cold war' against the US that will embroil the world, including Australia and its Pacific neighbours, in bipolar global rivalry.¹³ Vice President Mike Pence has repeatedly returned to the theme of a cold war in speaking of China's competition with the US.¹⁴

The attempt to dichotomise the view of China as a threat or as an emergent partner has been a significant factor in characterising Chinese influence in the South Pacific in Australian analyses. Perceiving China's objectives for developing soft power in the region as a threat to Australian interests imputes to the Chinese state at least an element of strategic intent that's damaging to Australia's national interests, including as a motive for its aid and investment in the region. From this perspective, soft power may be partly aimed at attracting cooperation while also laying the foundations for undermining Australia's security interests in a region that it has regarded as vital since before federation in 1901.

The peaceful rise interpretation accepts China's search for a place in the Pacific Islands as a natural extension of its growing international interests and reach. A 2018 report by the US–China Economic and Security Review Commission assessed China's current interests in the Pacific Island region broadly as those of an emerging global power seeking to:

- promote its diplomatic and strategic priorities
- reduce Taiwan's international space
- gain access to raw materials and natural resources.¹⁵

Competition for influence is expected to be but need not be a zero-sum game. However, a new *modus vivendi* will be needed, perhaps, to work cooperatively with China as it pushes more broadly into the region.

The proactive role of Pacific Island states in fostering engagement with China is a factor that seems all too often minimised. The allure of a rising China has been a significant ‘pull’ factor drawing Beijing into closer relations with regional states. Like much of the rest of the world, Pacific Island states have actively sought closer relations with the PRC for their own reasons. Many have adopted ‘Look North’ or ‘Look East’ policies over the past two decades to invite China to develop closer relations with them, primarily to assist their development objectives and to promote South–South cooperation.

THE YIN AND YANG OF SOFT POWER

The apparent duality of the concepts of soft power and hard power can lead to some categorical assumptions about the complexities of soft power. All relationships don't fall neatly into being a result of hard power or soft power. While, like the yin and yang of Taoist philosophy, they appear complete opposites, the relationships between the 'hard' yang and the 'soft' yin are what's important. Moreover, the modern depiction of the *taijitu* symbol both strikes a balance between the dark and the light and incorporates a portion of each in the other.

The enticing simplicity of the duality of juxtaposing Chinese external influence into the 'either-or' of being hard power or soft power overlooks the complexity of yin-yang. Nye himself argued against a clear and unconnected duality between hard and soft power. He wrote that it's a mistake to regard soft power as 'any exercise of power that does not involve the use of force'.¹⁶ More nuanced views are needed to appreciate how soft power can be leveraged to serve the goal of international influence. There are a number of ways that influence can be felt that aren't patently or even substantially coercive or completely voluntary.

The intangibility of soft power is a significant issue in assessing how soft power plays out as influence. So much depends on perception—on both sides of the relationship. Small states are always more aware of asymmetries of power than large states. This greater sensitivity to influence can make small states perceive subtle coercive pressure where larger states see only routine relations. Indeed, even the reasons for the attractiveness of a larger state may convert what appears to the larger state to be the success of soft power into something more transactional for the smaller country. Small states can regard their alignment as a *quid pro quo* for such benefits as protection or economic advantage.

Soft power and transactional diplomacy

Significant elements of international relations are fairly mundane. States routinely engage in relationships that are mutually satisfactory in themselves, without the deliberate objective of some closer policy alignment. Indeed, transactional relations can be pursued by states that are quite distrustful of each other. At best, transactional relationships can be regarded as a qualified form of soft power—a form of confidence-building. On the other hand, poorly handled exchanges can sour relationships, turning day-to-day transactions from a potential soft-power asset into a liability.

The popular discourse seems to view transactional consequences of aid, for example, through different lenses to cherry-pick evidence for influence. *The Economist* has wryly queried the strength of the linkage between transactional diplomacy and soft power. Under the headline 'The subtleties of soft power', it posed the fundamental question 'Can money buy that sort of thing?'¹⁷ Given the huge amount of money that the PRC is pumping into the developing world alongside its seemingly ubiquitous political presence, a popular answer seems to be 'Yes, high levels of Chinese aid will buy affection and respect.' Yet there's a contradictory motif when the focus is shifted to Western economic diplomacy in the Pacific. An *Asia Times* article is typical in its complaint that 'Beijing appears to be out-playing Washington despite current US assistance to Micronesia being 20-times larger than China's'.¹⁸

Diplomacy to facilitate transactional relations between states blurs the distinction between soft and hard power in a number of ways. Asymmetrical interactions don't necessarily build trust between buyers and sellers. A perception of dependency increases the real or imagined prospect of hard-power coercion. For smaller participants, the market is a given regardless of how level or uneven it might be. However, larger players can generate soft power by creating trust in themselves through their role in maintaining an international system of rules that provides fairness and predictability to all states, but especially to small players that lack the influence to set international rules.

Perceptions of trustworthiness in managing the international market (in trade and finance) are a critical contributor to soft-power influence both in the region and globally. China has inserted itself robustly into the international marketplace in the wake of the global financial crisis in 2008 and America's retreat from multilateralism to unilateral and bilateral approaches under Donald Trump. China seems to want to present its Belt and Road Initiative (BRI) through both lenses. Beijing seeks to woo potential participants for the initiative by arguing, in transactional terms, that the BRI should be considered as a mutually beneficial deal for all participants in business terms.¹⁹ However, the BRI is also intended to be economically, politically and strategically transformative—a new China-centric Marshall Plan with significant soft-power implications for building trust in China as a manager of the international economic order.²⁰ Beijing's mixed messaging on the BRI contributes to the confusion about the initiative's value as a soft-power asset.

Analytically, there's also a darker side to the relationship between transactional relations and their soft-power consequences. Ron Huisken has argued that it's a mistake to characterise 'activities that are at least borderline bribery and corruption ... as "soft power"'.²¹ Such relationships are essentially *quid pro quo* transactions that don't contribute to the development of soft-power influence more broadly in the host community. Indeed, the appearance of tainted transactions undermines any soft-power effects by diminishing genuine trust both within a country, especially at the community level, and between countries.

The sharp edge of soft power

'Sharp power' is a more recent term that has come into fashion to clarify some of the analytical distinctions between the overt coerciveness of hard power and the much less well-defined elective cooperation of soft power. It covers scenarios in which the critical element of trust and openness is misused to produce a contorted appearance of voluntary acceptance or policy alignment. Essentially, the concept of sharp power puts a label on the concerns that democracies increasingly feel for their exposure to authoritarian regimes that employ the freedom of open societies against them.

Nye treats sharp power as a subcategory of hard power, arguing that the 'intangibility' of influence alone doesn't define soft power.²² He notes that verbal threats 'are both intangible and coercive'. However, state-sponsored misinformation, fake news, cyber-trolling and related techniques of sharp power are subtler in their application than the naked threats of traditional hard power.

Current concerns over the use of sharp power focus on covert external interference in a state's democratic processes—electoral, policymaking or social cohesion—to weaken its internal capacity to be an effective international actor or even a domestic decision-maker, as Anne-Marie Brady has demonstrated in New Zealand.²³ In addition to these techniques, sharp power can arise passively. Economic dependence, awareness of exposure to debt and the like can generate a prophylactic climate of self-censorship without visible coercion or even a veiled threat if the weaker state perceives that the stronger state is likely to use coercion to get its way.²⁴ The element of perceived potential threat is how the concept of sharp power helps to explain the contrasting importance of trust in soft power when dealing with asymmetrical relations.

The stickiness of economic soft power

Economic entanglement offers another explanation for an international impulse towards conformity and alignment without coercion. Walter Russell Mead called envy of economic success and opportunism ‘sticky power’.²⁵ Mead claimed that the success of the US economy drew other countries into the American system and ultimately trapped them into continuing support and engagement. Sticky power can be a result of soft-power attraction but it has shades of hard power, since leaving the relationship can be difficult and compromises can become one-sided even if not overtly coercive.

Sticky power’s influence may come about as a result of economic relations sliding into one-sided dependency or through a deliberate attempt to entrap using apparently favourable trade or aid linkages. Much of the criticism of Chinese soft power in the Pacific Islands is, in fact, about the risk of sticky power—that is, the risk that these small states will be ensnared in an unsustainable economic relationship that will tie them to the PRC’s political and strategic ambitions. This is the logic of the ‘debt trap’ argument. Longer term concerns would put the BRI into the category of potential Chinese sticky power. The ambitious global project aims to redirect economic relationships through Chinese networks of commerce, finance, technology and trade, resulting in political and strategic connections that may prove ‘sticky’. A US Department of Defense report, *Military and security developments involving the People’s Republic of China 2018*, suggested just this risk, noting that ‘participating in BRI could develop economic dependence on Chinese capital, which China could leverage to achieve its interests’.²⁶

CHINESE SOFT POWER AS POLICY

China has overtly embraced and enthusiastically pursued the concept of soft power as part of its strategy for securing a respected place at the centre of world affairs.²⁷

President Hu Jintao publicly committed China to using soft power as an element of foreign policy at the 17th Communist Party Congress in 2007, having earlier promulgated the ‘peaceful rise’ narrative. His successor, Xi Jinping, tried to control the national ‘narrative’, overtly reinforcing the soft-power policy approach by asserting in 2014, ‘We should increase China’s soft power, give a good Chinese narrative, and better communicate China’s message to the world.’²⁸ However, the values that he identified as soft power were less internationally engaged. Xi invoked China’s rich history and heritage, which he encapsulated in the concept of ‘cultural soft power’ (文化软实力), which emphasises the virtues of Chinese traditions.²⁹

Xi’s rather ethnocentric approach to soft-power attraction, however, seems more nationalistic than international. Consequently, the University of Edinburgh’s 2017 study *Soft power today* suggested that it was debatable whether China has soft power ‘in the sense defined by Joseph Nye’ under this official Chinese usage.³⁰ Chinese heritage does command respect and esteem in its own right, but that might not build the political trust needed externally to cement China’s soft-power aims. Arguably, Xi’s rearticulation of China’s soft-power objective in terms of cultural soft power was more for domestic purposes than to direct international attention away from the peaceful rise narrative.³¹ Selling a peaceful rise narrative would be more in keeping with the conventional theory of soft power as a diplomatic resource, which is why it remains the preferred external explanation. Nevertheless, awareness of the Chinese leader’s cultural perspective on soft power does help to explain China’s sensitivity to any appearance of disrespect internationally.

For its external audience, China has had two broad soft-power motivations that are closer to the Nye foreign policy purpose of having the Chinese Government’s story better appreciated by the rest of the world. The more serious objective is to manage the perceived risks of what Graham Allison has called the ‘Thucydides trap’—the situation in which an emerging great power causes such fear in an existing power that the fear itself leads to war.³² The soft-power narrative is to put a velvet glove on the unmistakable fist of China’s growing hard power to provide a rational reason why it should be seen in a less threatening perspective.

The second aim is to support China’s deepening entwinement with the global economy. In 1999, a decade after the diplomatically disastrous Tiananmen Square massacre, President Jiang Zemin implemented the ‘Going Out’ policy of pursuing overseas investments in preparation for joining the World Trade Organization in 2001.³³ Hu Jintao deliberately rebadged the concept of peaceful rise as ‘peaceful development’ in 2004 to put a positive economic spin on the peaceful rise scenario. Beijing wanted to emphasise the economic benefits of welcoming China’s growing strength and so made promoting that perspective a key policy objective.

Thus, Beijing’s general aim for embracing soft power has been to secure a reassuring international narrative that puts both China’s ever more extensive range of national interests and its increasing military power in as favourable a light as possible. As part of that effort, Beijing has had to identify what it believes are China’s soft-power assets and liabilities and to invest more in selling this narrative abroad. And the work has been impressive: the PRC has spent

an estimated US\$10 billion annually over the past decade to make that sale.³⁴ At the same time, various Chinese Government actions—such as militarisation in the South China Sea and aggressive use of cyber capabilities for state and commercial benefit—have undercut this positive narrative. The question is about just how useful are Beijing’s soft-power assets in the Pacific Islands and how compromising are its liabilities.

Chinese soft power assets in the Pacific Islands

In the South Pacific, admiration for the PRC clearly derives from the same general attributes that have made China an influential partner to so many states and economies around the world. Not only does its spectacular economic growth command respect, but, importantly, Beijing has converted its wealth into soft power through its aid and development assistance programs and the ripple effects of its trade networks. In contrast with the old USSR and even the current Russia, China has become an active player in international affairs, attracting positive support, especially from developing states, as an alternative great power challenging the *status quo* (see box).

On recognising soft-power assets and liabilities

An earlier era of strategic competition for Pacific Islands illustrates the policy consequences of differing perspectives on soft-power assets. The Soviet Union’s soft-power assets were minimal during the Cold War, despite heightened Western concerns over its influence. It had no diaspora, no cultural ties, no resident diplomatic missions and only limited trade or aid engagement. Yet an exaggerated belief that the USSR somehow would be able to parlay its only apparent asset—an ideology that had no appeal in a deeply religious region—into strategic access to the Pacific Islands dominated Western security assessments of the region for nearly 15 years.

In hindsight, it’s astonishing that the depth and range of Australia’s soft-power assets were discounted so easily. Our pluralist approach was well engaged across the entire gamut of relations within the region. Those relations were based in longstanding cultural, economic, political and social ties at virtually all levels, from alumni associations, Rotary clubs, business societies and sporting associations to interparliamentary linkages, peak governmental agencies and intergovernmental organisations. Nevertheless, it seemed possible to some analysts that, if the USSR’s ideology didn’t find sufficient resonance somewhere, roubles alone would overcome Moscow’s soft-power deficiencies to enable it to ‘buy’ a base in the region.

More than any other feature, however, China’s multifaceted development assistance program has been a key element of what’s commonly regarded as its soft-power appeal in developing states.³⁵ Beijing has made a virtue of its swift, purportedly ‘no strings attached’, approach to delivering assistance. The size of the projects China was able to deliver quickly contrasted sharply with traditional aid processes that appeared cumbersome and attached to awkward, at times, transparency and governance provisions. These factors help to explain why, at least initially, Pacific politicians anxious to demonstrate electorally attractive infrastructure development found China an especially advantageous development partner.

Whether China’s emergence as a major influence in the region as a development assistance partner has translated fully into significant soft power can be queried. Certainly, Chinese assistance is appreciated and valued, but the role it has played in strengthening Chinese soft-power attraction in the region is open to examination. One factor contributing to doubt is lingering images from the decade of ‘dollar diplomacy’ from the late 1990s. Chinese aid was seen very much in transactional terms as Beijing and Taipei competed for diplomatic recognition in the region. Another consideration may be the delayed impact of the ‘gift horse’ factor. There’s an increasing recognition among regional states and Island publics that China’s development assistance isn’t grant ‘aid’ as they understood it and that even concessional loans are seen by Beijing (or at least by the Export–Import Bank of China) in commercial terms.

Notwithstanding any reconsideration of whether Chinese development assistance was or is based in altruism, the imagery of China as a leader in South–South cooperation is a definite soft-power asset for China in the Pacific Islands. The absence of any colonial taint makes this an easy chord to strike in public forums but is especially important among diplomatic and political elites. This sense of a shared experience has been repeatedly reinforced by China. For example, Beijing supported changing the name of the UN’s Asia Group to the Asia–Pacific Group, which helped to cement a sense of inclusion, in contrast with Australia’s membership in the Western Europe and Others Group.³⁶ More recently, China’s support and financial assistance were instrumental in enabling Fiji to serve as co-president of the 23rd annual Conference of the Parties to the UN Framework Convention on Climate Change and helped to underscore Beijing’s support for the region on the critical issue of climate change.³⁷

Another important general soft-power asset has been China’s willingness to lend the aura of its success to smaller states. Significantly, the PRC has promoted ‘respect’ as a two-way street in its approach to soft-power influence. The Chinese Government routinely lavishes the highest level of diplomatic courtesies on high-level visitors from even the smallest developing countries. The particular success of Chinese soft power in Africa has been attributed to the official and very high level of diplomatic attention, including the public pomp and ceremony China bestows on African leadership, especially in contrast with Western neglect of the continent following the end of the Cold War.³⁸ Hosting all-expenses-paid visits by political elites and national delegations to Beijing may be derided as ‘visit diplomacy’,³⁹ but China’s well aware of the impact that red-carpet welcomes make on the small states of the Pacific Islands. Islanders, particularly those who have had the ‘Beijing experience’, note the contrast with visiting Canberra.

Beijing’s willingness to extend diplomatic respect pragmatically worked strongly in China’s favour in the Pacific Islands a decade ago. Fiji’s post-2006 military coup leadership certainly found comfort in China’s support and respect at a time when the interim government felt alienated by the sanctions imposed by Fiji’s traditional Western friends. Not only did the PRC not impose sanctions, despite Australian pressure, but then Vice President Xi Jinping paid a state visit to Fiji in February 2009, only weeks after the interim government had been given an ultimatum by the Pacific Islands Forum. Given the ambivalence of the Island members on the Fiji sanctions, Beijing’s support for the Bainimarama government was generally a regional positive on the grounds that it portrayed China’s willingness to stand with the region against external pressure.

These general soft-power assets have played well at the Pacific Island regional level. They’ve been highlighted by the priorities of Chinese public diplomacy in the Islands. Those priorities perhaps provide the best direct indicator of what Beijing believes contributes most effectively to leveraging its attractiveness to the Pacific Island states as a partner of choice. A June 2018 global review of Chinese public diplomacy confirmed that the Pacific Island states appear to be of some genuine importance to Beijing.⁴⁰ They’ve attracted rather more public diplomacy interest than larger, more strategically important countries, such as Japan and South Korea, at least on a per capita basis. However, there’s a particular orientation to those activities.

Not surprisingly, given the special characteristics of the region (small size, remoteness and limited resources), Beijing’s public diplomacy ‘portfolio’ of activities in this region displays a distinct imbalance. After normalising each of four areas of activities against a balanced distribution (where each activity is equally represented), the 2018 study found that the lion’s share of Chinese public diplomacy activities in the Pacific Island states has been concentrated overwhelmingly on promoting elite-to-elite relationships (see Table 1).

Table 1: China's public diplomacy portfolio activities, by country

Composition of activities (normalised)	Fiji	Papua New Guinea	Samoa	Tonga	Vanuatu
Confucius Institutes	11.0	0	0	0	0
Sister cities	2.6	3.0	1.0	1.0	1.0
Financial diplomacy	16.3	7.0	9.0	6.0	6.0
Official visits (both to and from China)	70.1	90.0	90.0	93.0	93.0

Source: Samantha Custer, Brooke Russell, Matthew DiLorenzo, Mengfan Cheng, Siddhartha Ghose, Jacob Sims, Jennifer Turner, Harsh Desai, *Ties that bind: quantifying China's public diplomacy and its 'good neighbor' effect*, AidData, 27 June 2018, [online](#).

The study's figures for official visits to and from the region for the 2000–2015 period provide for some interesting speculation on relative interest. Australia topped these statistics at 390 elite exchanges, while New Zealand was second at 310. However, the Island states generally ranked higher on a per capita basis overall but with some small internal variations. Vanuatu's 121 visits were higher than Fiji's 113 visits, while Samoa (107) and Tonga (104) weren't far behind. Given Chinese investment in Papua New Guinea (PNG), its size and its world-class resources, PNG's total of 108 visits ranked barely above Samoa's and was unexpectedly well below New Zealand's, despite it being the larger country.

Security cooperation, elite diplomacy or sharp power?

On 4 August 2017, 77 people in shackles and hoods were marched across the Nadi airport tarmac onto a China Southern aircraft by a phalanx of Chinese police sent specifically to effect their deportation from Fiji. A joint statement by the Fiji police and the Chinese embassy in Suva claimed that the deportees were cybercriminals who had cost victims in China more than 6 million yuan (US\$892,000).⁴¹ The extraordinary drama was the final act in a combined four-week operation by Fijian and Chinese law enforcement agencies. This wasn't an isolated event. Similar joint operations had been carried out in Indonesia and Cambodia in the preceding week.⁴²

The basis for the deportations was attributed to a memorandum of understanding on police cooperation between Fiji and China's Ministry of Public Security, which, among other things, covers such areas as counterterrorism, money laundering, people trafficking and cybercrime.⁴³ Yet the operation was essentially treated as a visa matter, in that the Fijian police acted for the Immigration Department. It appears that visas were cancelled without appeal and those detained weren't held in police cells but in *ad hoc* immigration facilities until deported. By contrast, Vanuatu's Foreign Minister, Ralph Regenvanu, when asked about his approach to Chinese requests for deportations, said, 'We asked them to provide their criminal convictions and records from the police file, to hand [someone] over under the normal extradition procedures' which would then require a court order.⁴⁴

Moreover, despite the attempt to portray the episode as a routine act of cooperative policing, there were questions about the veracity of the official report and compliance with the justice system. There were uncertainties over who was deported and a subsequent claim that many of the deportees were prostitutes rather than cybercriminals.⁴⁵ Taipei wanted some assurance that none of those expatriated held Taiwanese passports, as that had occurred in other deportations elsewhere.⁴⁶ The opposition National Federation Party demanded to know whether any were dual nationals with Fijian passports, as well as an explanation of how the operation complied with Fijian law, including natural justice and humanitarian obligations.⁴⁷

This demonstration of Chinese power abroad was spectacular, and perhaps it was meant to be. Although clandestine in its conduct, China was happy to have *Xinhua* release photos of the deportees as well as report the event afterwards. But to what purpose? One suggestion was that it served a domestic propaganda agenda by showing that China would protect its citizens from fraud and extortion even when perpetrated from abroad.⁴⁸ It was equally plausible as an exercise in sharp power to intimidate overseas Chinese, including the diaspora, into refraining from engaging in activities that were contrary to the interests of the PRC.

However, this episode didn't reflect on China alone. Chinese elite-to-elite diplomacy clearly worked for Beijing, but at what cost to Fijian sovereignty? While recognising this challenge, Dixon Seeto, a Fijian-born Chinese business leader, temporised that deportation was cleaner and placed less of a burden on Fijian resources: 'If you had kept them here ... you'd have to go through the whole rigmarole of the legal system.'⁴⁹ The lack of general concern in Fiji suggests, for now at least, that the country agrees with him.

The absence of any enmity between Pacific Island states and the PRC is a mild but useful soft-power asset for China in the region, especially as only three regional states have formal defence forces, and those countries aren't formally aligned to any other state. This means that any PRC defence activities in the region don't automatically cross red lines for the Island states. Regional states have found transactional reasons for distinguishing between Beijing and Taipei over recent decades. Nevertheless, they haven't identified, to date, any significant reasons on security grounds for viewing the PRC negatively in the way that they did the USSR throughout most of the Cold War. In the context of current suggestions of a possible new 'cold war' between the West and China, this factor helps to explain some of the reluctance of regional states to take sides.

Chinese soft-power liabilities

Despite China's effort and expenditure, quantitative measures of soft power indicate that Beijing's investments have produced only limited returns thus far. According to a system for ranking soft power, China held 30th place globally in 2015 and managed to move up to 25th in 2017.⁵⁰ However, the same system found that China had lost ground to come in at 27th in 2018.⁵¹ A significant reason for China's low metrics in these reviews is an effect of the benchmarks used to identify soft-power influence. The PRC doesn't view soft power in the same way that Western states do. Chinese expectations are non-liberal and elite-focused internationally and, under President Xi, are more strongly grounded in a domestic Chinese ethic emphasising some traditional values. Are these differences a liability or just a matter of priorities?

A key asset in Western soft power has been the universality of the shared values that leading Western states espouse domestically and abroad. They have set the principles and standards for international governance and the global economic system for the contemporary world order. This is something of a practical problem for the PRC in its quest to promote an international narrative that gives Beijing a central role in reshaping the global order. The Sinocentricity of Xi's cultural soft-power approach doesn't convey recognised universal values and processes, at least at present, that other states can adopt as their own. It also tends to reinforce the bilateralism of China's approach to international relations.

China's authoritarian political system doesn't serve as a model for political reform at either the popular or elite levels of Pacific societies. This is a significant soft-power liability, as emulation is a core component of the concept of soft power. By contrast, democratic values are intuitively supported at the grassroots level across the region even as some countries wrestle with nation-building or with localising democratic values culturally. For example, when Fiji considered its political options after the 2006 military coup, there was an early consensus that a responsible-government form of parliamentary democracy was the only realistic option. Such was the strength of soft-power values that, even though other systems were considered, retooling public thinking was deemed too difficult to make any other political option viable.

A similar criticism might be made of the attractiveness of the PRC's economic system as an exportable model. The Chinese economy has attracted international admiration for its strength and technological innovativeness. And, as far as the Pacific Islands are concerned, China's role as a source of economic assistance for development is a primary soft-power asset. However, the Chinese economic model doesn't attract international acolytes the way, for example, the Japanese management model did in the 1970s. In this sense, the soft-power attraction of the Chinese economy is almost one-dimensional. Even if Xi's trillion-dollar BRI succeeds, it won't create new global economic values so much as move China towards the centre of a refocused world economy.

The elite-to-elite bias in Chinese public diplomacy serves as a significant tactical distinction between the Chinese and Western approaches to soft power. Western liberalism favours people-to-people ties and civil society relationships, reflecting the importance of those links to democratic values. Given that the Chinese political system itself is not open, the PRC couldn't use the same lens that Western states use to view their soft-power assets. China currently lacks the civil society and domestic infrastructure to pursue a ground-up approach to soft power. Indeed, Xi's government so distrusts civil society and non-government organisations (NGOs) that it has moved to regulate them as subversive.⁵²

China's lack of openness and civil society linkages is arguably a soft-power deficit that contributes to suspicion of the PRC's state-focused aid as 'political' rather than humanitarian among non-government actors in the Pacific.⁵³ Additionally, in a region known for its religiosity, China's approach to the Catholic Church, Uygur Muslims and Falun Gong adherents works against the sort of transnational religious associations that connect the peoples of the Pacific to communities of faith elsewhere. Government censorship and political attitudes even serve to undermine the PRC's attempts to promote Chinese popular culture as a platform for developing popular approval for and engagement with Chinese culture, which is a key focus for China's soft-power strategy.⁵⁴

China has invested heavily in promoting a soft-power narrative, yet Western pluralist-based metrics don't give the measure of China's approach to cultivating soft power. Even where Beijing's public diplomacy seeks to influence popular opinion, those efforts don't build trust in broader Chinese values. The people-to-people elements of China's public diplomacy appear to be less about securing popular support for its policies than about promoting an understanding of and respect for Chinese culture. For example, the government is said to want to make Chinese New Year as popular as Christmas.⁵⁵ To that end, Beijing significantly increased funding for overseas lunar new year celebrations, up from fewer than 100 events in 2010 to more than 2,000 in 140 countries in 2017. Critics argued, however, that such demonstrations of Chinese culture are essentially to persuade Xi's domestic Chinese Communist Party (CCP) constituency that he's reclaiming Chinese prestige globally rather than trying to influence public opinion abroad.⁵⁶

While Beijing might not regard the absence of linkages with Pacific Island civil society and NGOs as a soft-power deficit, that absence limits Chinese opportunities for access to popular bases for soft power. Civil society and NGO connections provide notable points of access to the peoples and institutions of the South Pacific for the region's Western friends. Friendship societies and business associations among the Chinese diaspora do serve as an outlet for advocacy by the United Work Front and the CCP as well for the state. However, their value can be limited by their essentially ethnic character. Established NGOs have been important vehicles for raising grassroots aid, delivering it, or both. Civil society associations also maintain and promote the values of an open society, making them a constant grassroots counterpoint to Chinese governance. Importantly, these Pacific associations and organisations provide networks of social communication that link local elites internationally with fraternal association elites abroad.

Xi included a commitment to intensify multilateral coordination in his 2014 proposal for a 'strategic partnership' with the Pacific Islands.⁵⁷ This appears to have been more aspirational than substantial, as China has taken few steps to realise it. Perhaps it's more in the nature of an unused opportunity than a soft-power liability. China continues to use mainly bilateral ties in its principal relations with Pacific Island states. Its support for regional policies such as those on climate change and energy security win support from regional elites and publics alike. However, national leaders, ministers, politicians, bureaucrats and other significant elites meet regularly with Australian counterparts in dozens of meetings annually through a wide range of regional bodies that exchange information, set policy and implement joint projects.

While not an absolute liability, language may be a comparative disadvantage in China's pursuit of soft power in the Pacific Islands. Language presents a challenge for China in promoting its soft-power narrative, especially as English is the *lingua franca* for much of the region. Basically, Beijing has to promote its narrative in the Pacific Islands through a foreign language—a somewhat frustrating situation for a country for which respect for its heritage is a key component in its view of soft power. Moreover, the latest wave of Chinese migrants (the 'new' Chinese), who might be the best ambassadors for Xi's cultural soft power, generally don't speak English or the host country's language well. On balance, the region's traditional friends are much better placed linguistically to promote their narratives across a broader range of local publics—elite and general.

EVALUATING CHINESE SOFT-POWER EFFECTS IN THE PACIFIC ISLANDS

States invariably have to balance the costs of their relationships against the benefits. The features creating an attraction that builds trust, respect and esteem will be assessed alongside issues, areas and considerations that chill the warmth. In the case of Chinese relations with the region, the basic question is whether the Island countries see Beijing's soft-power assets and liabilities through the same lens that China uses. The range of significant soft-power issues includes aid, trade, information, ethnicity and tourism.

The 'debt trap': malign intent or misunderstood generosity?

The meme of the 'debt trap' is perhaps the only popularly recognised Chinese soft-power liability in the Pacific Islands. The negative imagery is understood at both an intuitive and a visceral level even where there might not be hard evidence justifying it. The critical aspect of the debt-trap meme is that it conveys a malign intent that suggests deliberate ensnarement. It portrays Chinese aid less as deliberate assistance to meet real needs and more as some Faustian bargain for the 'soul' (sovereignty) of the Pacific states through a sticky-power entanglement with geopolitical consequences.⁵⁸

The reality of a Chinese debt-trap strategy has been more posited than debated by its proponents over the past two years. The primary empirical example of loan indebtedness was a deliberate Chinese ploy to take over Hambantota Port in Sri Lanka.⁵⁹ When Sri Lanka was unable to meet its repayments, China negotiated a 99-year lease on the facility and a 70% controlling stake in its management for a state-owned enterprise. Although debt-for-equity loans in Africa and elsewhere are reported,⁶⁰ virtually every news story promoting the debt-trap thesis in the Pacific Islands starts and ends with Hambantota, despite evidence from the Maldives⁶¹ and Malaysia.⁶²

The regional media has covered this concern largely by reissuing Western reportage rather than by adding local evidence or nuance. Vanuatu's Foreign Minister, Ralph Regenvanu, made an attempt to add some balance to the issue by releasing contract details to demonstrate that there were no debt equity clauses in the contentious Luganville wharf project loan.⁶³ However, critics of the continuing media myopia on this subject both within the region⁶⁴ and in Australia⁶⁵ can only express exasperation that easy sensationalism overrides genuine issues about Chinese aid in the Pacific Islands.

Although China disputes the details of the Hambantota story, there's some acknowledgement that serious damage has been done in the court of public opinion.⁶⁶ Whether there's a deliberate 'trap' or not, many Pacific Island countries are confronted with the 'debt' aspect of Chinese concessional loans. Consequently, China continues to have to struggle with the optics of the issue. Tongan Prime Minister Akilisi Pohiva, expressing fears that China would seize Tongan assets if his country couldn't make loan repayments, called on his regional colleagues to join him in an appeal to China to forgive their loan debts.⁶⁷ His plea failed to move either fellow regional foreign ministers or China. Nevertheless, the appeal put the issue of a Chinese debt trap back into the public domain again, reinforcing the negative soft-power meme regionally.

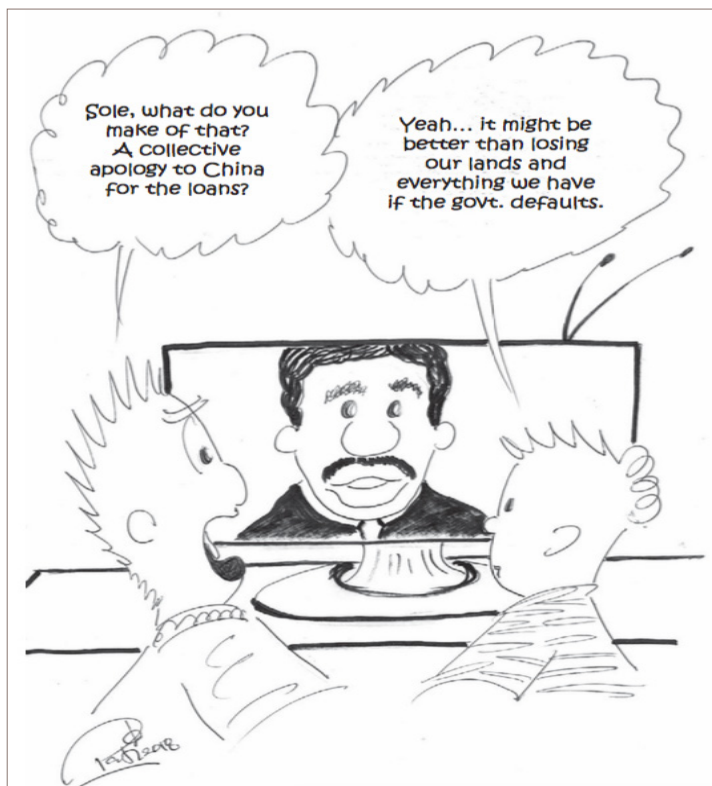


Image courtesy [Samoa Observer](#).

Regardless of its validity, the debt-trap imagery is an issue for more than just Beijing. It presents regional governments with public opinion headaches as well. A primary reason is anxiety over potential voter backlash, given the level of public awareness of the phrase if not its meaning. The Cook Islands opposition party made fear of loan repayments an issue in the June 2018 national election. Sitiveni Rabuka, the leader of the SODELPA opposition party, made Chinese ‘debt-trap diplomacy’ an issue in the November 2018 Fijian general election.⁶⁸

A related factor is the second negative element captured by the debt-trap meme. This is the implication that the trap has been baited with projects that have been status projects, unproductive, poorly provided, or any combination of the three. Australia’s then International Development Minister, Concetta Fierravanti-Wells, famously accused China of funding ‘useless’ buildings and roads that didn’t ‘go anywhere’.⁶⁹ While it wasn’t intended to do so, her attack cast a poor light on the capacity of the region’s leadership to deal with China. Samoan Prime Minister Tuilaepa Sailele seized on the implication. He responded, ‘To me the comments seem to question the integrity, wisdom and intelligence of the leaders of the Pacific Islands.’⁷⁰

China clearly sees such comments on the quality of its projects, the terms of its development assistance and the nature of the projects delivered as an attack on one of the bases for its soft power in the region. Its embassy in Canberra pushed back vigorously, lodging ‘representations’ with the Australian Government as well as using various media to denounce the Fierravanti-Wells accusation.⁷¹ Western criticisms are portrayed as unfair and unwarranted attempts to undermine Chinese prestige. However, missions in the region, even when privately accepting that there have been quality issues at times, are very sensitive to any local criticism and try to keep them out of the public domain with more success.

A critical element of the Chinese Government’s defence against the Fierravanti-Wells criticism was that the projects are requested by the Pacific leaders, who know better than Canberra what their nations need. Privately, however, there’s some concern among Islanders at the lack of due diligence on the terms of the projects requested by their governments. External critics agree, arguing that Beijing’s fast-track, purportedly no-strings-attached approach

to infrastructure project delivery lacks transparency and raises suspicions about precisely how projects were requested and approved and under what terms. Moreover, the claim that all Chinese infrastructure proposals are genuinely initiated by Pacific Island governments has been contested by observers of Chinese aid in the region, who see the catalytic role of Chinese construction firms in generating ‘demand’.⁷²

Ironically, the debt-trap issue may be becoming a legacy issue for some regional states. At the elite level, the looming prospect of high levels of debt repayments led to increased self-restraint on borrowing internationally some time before it became a public issue. Fiji, Samoa, Tonga and Vanuatu haven’t borrowed from China for several years. The reasons have varied from country to country, but for Fiji, at least, the availability of other sources following its return to democracy in 2014 tipped the balance.

It’s probable that this issue will become less of a soft-power liability for China as it adjusts to the errors of the past. The internationalised Asian International Investment Bank can improve the transparency of loans compared with those of the state-owned Export–Import Bank of China. The Chinese Government’s new International Development Cooperation Agency seems likely to shift China’s aid focus from the controversial trade orientation of the Ministry of Commerce.⁷³ President Xi Jinping’s announcement during his 2018 African tour that he would forgive loan debts for certain struggling states suggests some recognition of the damage that the debt-trap imagery has inflicted on the PRC’s soft power.⁷⁴

The reverberations for the region’s traditional donors seem likely to continue, and not necessarily to their advantage. Pacific Islanders have long understood that ‘it’s all about cash’ for some donors.⁷⁵ From ‘strategic denial’ during the Cold War through to Beijing–Taipei ‘dollar diplomacy’ for recognition, aid is politically motivated at times for specific policy objectives, and regional governments have been happy to exploit the opportunities offered. Foreign Minister Regen vanu, commenting on the Australian reaction to Chinese strategic interest in Vanuatu, has said, ‘It has been good for us’ because it was drawing in much more Australian aid.⁷⁶ PNG’s Treasurer, Charles Abel, perhaps less cynically, has suggested that Australia could help to ‘balance’ the challenges that accompany the opportunities of Chinese aid and investment.⁷⁷ Either way, an aura of competition tends to make Australian aid look more transactional than compassionate through the Pacific Island lens and so weakens its soft-power effect.

The ‘sticky’ residue of commercial diplomacy

The instigation of China’s ‘Going Global Strategy’ (or ‘Going Out’ policy) in 1999 to better manage the country’s enormous foreign currency reserves sent Chinese state-owned enterprises (SOEs) and investors into the international marketplace to buy assets and implement state-sponsored infrastructure projects.⁷⁸ This overlapped with the era of chequebook diplomacy when China sought to pre-empt Taipei’s recognition by regional states (in a competition that may be restarting now⁷⁹). Consequently, diplomatic recognition and relations were somewhat commoditised, and aid was the transaction that sealed the deal. The increased aid and investment associated with these events generated a modest economic ‘shock and awe’ effect across the region as Chinese commercial interests, including SOEs, sought opportunities for investments using China’s Export–Import Bank resources.

Chinese aid and development finance in the Pacific Islands have thus been routinely ‘tied’ to SOEs, and terms normally include control over project design, sourcing materials and the workforce.⁸⁰ Government guidelines influence even Chinese private companies delivering infrastructure developments, since about 70% of them have significant CCP connections and so are connected to the government.⁸¹ The favourable concessions imposed through these ties have enabled Chinese contractors to acquire a foothold in the host countries and, using a privileged economic position, to compete for non-Chinese aid projects and local commercial projects.⁸²

The influence of Chinese contractors works in both directions. They initiate consultations with local politicians looking for an electoral advantage or with other influential developers to devise projects that can be presented to China as local development infrastructure needs.⁸³ And, once established, they fill a local niche for construction skills, thus working against the localisation of capacity in these areas. The activities of the localised Chinese

corporations (most with state connections) are introducing an element of ‘stickiness’ to Chinese economic influence, binding some regional markets to the PRC economy even without a formal connection to the BRI or the effects of any debt trap.

A grassroots reverberation of Chinese sticky power is making itself felt in villages across the region. Again, this isn’t an official or direct consequence of PRC engagement with the Pacific Islands, although there’s a tangential connection. Especially since the ‘Going Out’ policy, Chinese companies with investments or development projects in the region (as well as the efforts of passport brokers in China) have contributed to greater awareness among Chinese of private opportunities in the Pacific Islands. The rapid growth of this ‘new’ migration into the region appears to be motivated by two main objectives: economic advantage and remigration.

The village retail sector has come to be dominated by Chinese shopkeepers in many South Pacific countries in recent decades. In Tonga, where such penetration has reportedly reached 90% across the kingdom, those stores are now known generically as *falekoloa saina* (Chinese shops). New Chinese small-shop entrepreneurs often receive financial and supply network help to set up initially from established Chinese nationals or ‘old’ Chinese residents. In effect, this brings many village shops under an informal franchising arrangement with a large Chinese-owned supermarket or supplier at the centre, which sources many of their supplies from cheap suppliers in the PRC.

Tying small village shops into the Chinese economy is clearly of minor moment to Beijing. The ‘stickiness’ here has more to do with the consequences for the Island countries. Concerns include corrupt regulatory myopia (such as not enforcing environmental restrictions against plastic bags in Chinese shops⁸⁴); the shops serving as outlets for counterfeit consumer goods made in China through favouritism for Chinese sources of consumer goods; and the shops’ operations being potential vehicles for tax avoidance. The last issue reportedly stems, in part, from the use of Mandarin to share information and set prices among the ‘franchised’ shops to avoid scrutiny by local authorities or competitors. These networks are already growing, and larger outlets are being established in rural areas.

The second major motivation for new Chinese migration into the region has been the aspiration for eventual remigration into a developed economy, such as Australia. These new Chinese ‘sojourners’ are migrants with no intention of staying long term or becoming citizens of their host countries.⁸⁵ Their intended aim is to remain in the Pacific Island country long enough to secure the credentials necessary to qualify for entry into their destination country. The proportion of Chinese migrants in this category compared with the economic migrants is quite malleable, since a ‘sojourner’ will presumably behave very like an economic migrant until the opportunity to remigrate arises. Furthermore, it isn’t entirely clear that economic migrants intend to remain permanently in their host countries. Many new Chinese send their children back to China for education, suggesting their intention to return themselves once they’ve earned enough abroad.

Despite the extent and community effects of the Chinese economic penetration of the Pacific Islands, social tensions currently appear to be relatively minor and unfocused. Yet there are some indications that China’s deepening economic influence is generating potential pushback. There are concerns at the national level, such as the dramatic 2017 claim by Tongan Prime Minister Akilisi Pohiva that ‘The Chinese will take over the running of the country in a few years’ time.’ There are also anxieties at the grassroots level. In the same year, the village of Salelologa on Savai’i banned any new Chinese-owned business because ‘We want to encourage our own Samoan people to set their businesses up.’⁸⁶

The risk of social tensions arising from increasing new Chinese economic power in the Pacific Islands has raised speculation that this may provide either a need or a pretext for the application of PRC hard power in the region. The PRC has already demonstrated that it will use force overseas to protect imperilled citizens abroad.⁸⁷ Were the circumstances in Honiara and Nuku’alofa (2006) or PNG (2009) to be repeated, there’s speculation that the PRC would be better placed today to intervene to protect its citizens in the South Pacific.⁸⁸ And, as a 2018 US Defense Department report flagged, there are concerns that, if the Pacific Islands embrace the BRI, the PRC may have a pretext at some point to use hard power to protect its property as well as its citizens (see box).

The media and zombie memes—or, when China had a military base in the Islands

The internet, with its user-friendly search engines and vast capacity for archiving information, is a boon for researchers but can also be a trap. Its vaults are both archive and tomb. One click on a keyboard retrieves volumes of useful information. The same click resurrects old and discredited memes and catchphrases that belong in a tomb rather than in an archive.

The roller-coaster ride of the PRC's presence in the Pacific Islands has contributed to an ambiguity about what information belongs in a reference database or a journalistic graveyard. There have been occasions when Canberra has actively promoted Chinese interests in the region as well as occasions when, as at present, it has viewed Beijing less benignly.

Like the Luganville wharf military base in Vanuatu story, media reports of a Chinese 'spy' ship in Fiji in June 2018 risk becoming a current meme, raising the question of its status: live issue or walking dead?

The ABC initially reported that the *Yuan Wang 7* was a spy ship surreptitiously docked alongside HMAS *Adelaide* while the Australian ship was in Suva harbour on its way to Hawaii for Indo-Pacific Endeavour 2018. Despite a quick correction as to its role as a satellite-tracking and support vessel, subsequent references to it revisit the trope of 'spy' or 'surveillance' ship.

The use of Yuan Wang-class ships in the region goes back, in part, to earlier Australian attitudes to China in the Islands and the era of PRC–Taiwan rivalry through chequebook diplomacy.

In 2003, Kiribati's 23-year relationship with the PRC came to an acrimonious end, and with it went one of the three overseas space-tracking stations China had at the time (the others were in Karachi and Namibia). This mid-Pacific equatorial station played an important role in monitoring the PRC's first manned space flight.

According to some first-hand accounts, the Australian Government exerted some not so subtle pressure against the switch to Taiwan, but President Anote Tong kept his electoral promise. Beijing proved very reluctant to lose the tracking facility. Tong expressed fear that some Chinese diplomats, who remained in Kiribati for more than half a year after the closure of their mission, were working to reverse the recognition of Taipei.

The consequence was that the PRC has had to rely on the Yuan Wang-class vessels to monitor its space missions as well as its satellite and missile launches. And, for more than a decade, the ships have paid multiple regular visits each year to Suva, in part to compensate for the loss of the South Tarawa facility.

The initial misconception about the satellite-tracking vessel's visit appears to have been an innocent case of some crossed wires, but it had real consequences. Both Fiji's Prime Minister and the Chinese Ambassador denounced a perceived effort to drive a wedge between two friends. The willingness of the media to return to the incident as a possible example of perfidious surveillance seems destined to keep breathing life into this zombie.

The real story behind the *Yuan Wang 7* visit to Suva in 2018 may be the largely forgotten episode in Kiribati 15 years earlier. This is instructive for the current debate on Chinese influence in the region on two counts.

First, the PRC was unable to protect a key national interest against one of the smallest states in the region (even though there was some evidence of resorting to sharp power⁸⁹). Second, Australia, for its part, appeared willing to support a *status quo* that would have kept a Chinese base that had dual-use military implications in the region.

The soft power of information?

For a new national narrative to be effective, it has to be sold. Since President Hu Jintao committed some US\$7 billion to build a modern media system to promote a new view of China internationally, ‘informational diplomacy’ has been a key contributor to China’s pursuit of soft power.⁹⁰ Over the past decade, the PRC has greatly expanded its reach through various forms of media influence to promote an understanding and appreciation of Chinese culture and policies across the globe and in the Pacific Island region. Beijing’s techniques include training local journalists, providing content to established local media outlets and supporting Chinese media in the South Pacific.

The PRC’s primary state news agency, *Xinhua*, has a bureau office in Suva that collects and distributes news from across the region. The agency has arrangements with local media outlets, typically through a memorandum of understanding, to supply content on a reciprocal basis. Reciprocity agreements are said to allow *Xinhua* to avoid charging fees for this content, which it levies for content elsewhere. The reciprocity arrangements, however, are wont to be somewhat one-sided with regard to the news content traded. According to local sources, local news media take more from *Xinhua* than it takes from them. *Xinhua* is said to take local copy mainly when it provides coverage of China’s development aid or political successes in the host country.

All local papers in the region regularly feature news from China through their arrangement with *Xinhua*, sometimes in their news pages or in their regular sections on world news. The *Samoa Observer*, for example, routinely runs two special sections in its news pages: one for news from China and another for news from the US. Some diplomatic missions in the region harbour suspicions of sharp-power practices because of the prominence given to Chinese stories in national news outlets. However, all the editors interviewed for this study denied being paid to publish specific news items. Nevertheless, they did accept, as a commercial practice, advertorial content for events, travel and educational promotions. It was a matter of editorial discretion whether such paid advertorial content was identified as an embassy press release or just included as content. Despite anecdotes of Chinese officials crossing a line to pressure for a particular story to be put into circulation, claims of systematic pressure on editorial policy were rejected.

The very substantial investment that the PRC has made in training journalists in print and electronic media may be more influential in promoting China’s soft-power narrative. Some editors offered a view, disputed by other missions in the region, that Beijing was merely filling a capacity-building area vacated by Western donors. Nevertheless, all journalists and editors interviewed spoke very highly of the quantity and the quality of the training assistance made available by, and in, China. Significantly, the most useful training is in technology and processing. Reporting and forensic journalism are very much limited by the same political constraints and censorship that apply to reporting news within the PRC.

China’s electronic media footprint is an expanding area of influence across the region. English and Chinese language television programming is widely available through the state-owned China Central Television (CCTV) organisation. CCTV produces news, documentary and entertainment programming for international markets through the China Global Television Network (CGTN). Regional access to CCTV/CGTN coverage is available via the internet, free-to-air satellite and satellite cable services as well as local television networks. In addition, many national television services in the region have negotiated with CCTV for content and to provide channels for CGTN programming.

Some concern has been expressed that China Radio International (CRI) has taken over a number of Radio Australia’s old shortwave radio frequencies in the Pacific.⁹¹ Since the ABC’s 2016 decision to abandon the field, CRI has begun broadcasting on as many as 10 frequencies once used by the ABC, including those reaching Vanuatu, Fiji, Samoa, Solomon Islands and New Caledonia. However, a few local journalists question whether the frequencies are being used to promote Chinese soft power regionally. It was claimed that there’s no real local interest in the shortwave broadcasts, as they mainly carry Chinese news in Chinese and are aimed at the diaspora and expatriate Chinese in the region.

This and other evidence suggests that the PRC's media agenda in the South Pacific has objectives beyond reframing the narrative about China and its benign rise as part of China's soft-power initiative in the region. Local journalists and media watchers point out that CCTV and *Xinhua* seem to have as much a Chinese domestic purpose as an aim of promoting China's image in the Pacific.⁹² The content in both directions—into the region and from the region into China—appears to be Sinocentric. According to local media watchers, CCTV seems to have little interest in 'selling' the region in its own right to a Chinese audience, since any content drawn from the region tends to require a Chinese connection.

The criticism here is that either CCTV doesn't seem to have the measure of what raises local viewer ratings or that it's less interested in the local market than in influencing Chinese migrants and the diaspora. On the first possibility, the Chinese regional media's programming was contrasted with more viewer-friendly and 'inclusive' Western media content. Western programming attracts local viewers by providing content on a range of themes of interest to Island peoples, especially stories about Islanders and their activities abroad and at home because of the intrinsic interest of the stories, not for their relevance to another agenda.

However, the diaspora orientation of CCTV broadcasting may be down to sharp-power rather than soft-power motives. Since 2013, Xi has attached some importance to including the diaspora in his 'China Dream' for the revitalisation of China. The Overseas Chinese Affairs Office liaises with overseas Chinese, including the diaspora, to bolster their support for the Chinese regime, and occasionally the office visits the region, as it did in Fiji in mid-2017.⁹³ The delegation included an executive from Tencent, which owns WeChat, China's main social media app. Overseas Chinese as well as the diaspora need to understand Xi's agenda if they're to support it. However, as China attempts to undermine the influence of 'anti-CCP' elements in the Chinese diaspora, state news media projecting into the region also serve to warn of the risks of dissent.⁹⁴

Soft power and the diaspora

Statements about the value of the Chinese diaspora as a soft-power resource for China can be questioned from several perspectives—both positively and negatively—starting with the very concept of a coherent 'diaspora'. Chinese migration into the Pacific Islands stretches back for several centuries for some Islands.⁹⁵ The migrants settled into their host communities and usually became part of those societies. The early migrants came from different parts of China in different eras and so brought different family histories to their new Pacific communities.

Those who settled in the Pacific Islands before the Island states achieved independence are commonly characterised as 'old' Chinese to distinguish them from post-independence migrants described as 'new' Chinese. The term 'new Chinese' encompasses not just people from the PRC but also a significant element of 'secondary' migration of ethnic Chinese without a direct connection to the PRC from, among other places, Taiwan, Hong Kong, Singapore, Malaysia and Indonesia. A subset of new Chinese can be discerned in the growing number of overseas Chinese working for Chinese corporations, aid projects and the like. Although these expatriates are short-term residents of the Pacific Islands, they can significantly influence local affairs both through their work and within the diaspora.

These distinctions matter. The old Chinese generally acquired citizenship of their country of residence at independence, spoke English and tended to be Christian; in short, they became full members of their country, albeit as a minority group.⁹⁶ The new migrants have acquired residency in regional countries in several different ways. Some have purchased passports that include residency along with full citizenship,⁹⁷ while some have purchased passports that confer less than full citizenship rights. Another avenue is business investment, which may lead to citizenship or a residency permit. Controversially, Chinese aid agreements require the recipient government to issue work permits to project staff of the construction firms implementing the projects. Less legal avenues to residency have been used, such as faux family reunions, overstaying or other visa violations.

The Chinese diaspora in the region is a rather complicated issue for Beijing. Members of the old Chinese diaspora certainly have been useful at times for providing access through their long-established local contacts. And cultural activities, including those of the Confucius Institutes, seek to involve local Chinese community leaders along with the broader local Chinese diaspora in promoting Xi's China Dream and Chinese soft power in the host community.⁹⁸ Nevertheless, the fact that ethnicity is the only real connection old Chinese have with the PRC has led Beijing also to see risks that those elements of the diaspora may promote oppositional views among new Chinese.

The effects of the new/old Chinese distinction may be even more problematic for PRC soft power in the region. A perception that Chinese businesses are taking over from nationals is a common motif across the Pacific. Chinese officials recognise that the conduct of individuals and corporations has been a leading factor in these anti-Chinese sentiments and are frustrated by these issues, given that Beijing isn't directly involved in promoting such private activities.⁹⁹ While Chinese officials are aware that much of the antagonism is directed against entrepreneurs and individual migrants rather than against the Chinese state, they admit privately that more action on their part regarding local customs and acceptable behaviour might be needed to avoid an escalation of tensions (see box).

Tuatagaloa Aumua Ming Leung Wai on the old and new Chinese in Samoa

Commenting from his own experience as a member of a prominent old Chinese family in Samoa, Aumua Leung Wai, a former long-term Attorney General, noted that:

some of these 'new' Chinese were giving the Chinese in Samoa a bad name because they do not respect or appreciate Samoan culture and way of life. They are also opportunistic and aggressive with their business tactics, sometimes testing the limits of Samoa's laws. It is no surprise that some of these 'new' Chinese had attracted bad publicity due to infractions with the law, e.g. deportation after being declared a prohibited immigrant, fleeing the country after being charged with a serious sexual offence. Others have been issued official warnings for alleged involvement with businesses reserved only for Samoan citizens.

Yet he also noted that the public ridicule that a new Chinese might experience would be allayed 'if he speaks Samoan to the Samoans teasing him. They would usually end up apologising to him.'¹⁰⁰

The potential for further social tensions is probably the greatest risk to China's soft power through the diaspora. Chinese missions initiate meetings with national police from time to time to promote the security of overseas Chinese 'communities' when local threats become a matter of concern.¹⁰¹ Xi's China Dream puts an emphasis on ethnicity that blurs the line between Chinese citizens and Chinese communities.

Due to perceived risks and past experience, some argue that the growth in overseas Chinese communities could provide the pretext for the extension of Chinese hard power into the region. Independently of any broader geostrategic considerations, the PRC may feel the need to have the military capacity ready to protect its citizens (possibly including ethnic communities abroad) as well as its economic assets in the region if they're threatened by anti-Chinese sentiment, as occurred in 2006.¹⁰²

There's a somewhat curiously overlooked *yin* and *yang* quality to diasporic influence in the South Pacific. The citizens, migrants and expatriates with Chinese ethnicity in the Pacific Islands aren't the only diaspora influencing regional affairs. By contrast with the numbers coming into the region, there's been a larger outflow of Pacific Islanders into Australia, New Zealand, the US and Canada. This diaspora might not always be politically active either in its host countries or the region, but it provides a significant source of remittances for many of the Island countries. Additionally, if mobilised, the Islander diaspora could be a potent resource for its Western host countries. The Islander diaspora in Australia seems to be an underappreciated current example of Australian soft-power attractiveness in the region.

The soft power of tourism

Tourism is perhaps the one area where China's cultivation of soft power has both grassroots awareness and appeal in the region. The China Outbound Tourism Research Institute estimates that Chinese tourists made 145 million cross-border trips and spent US\$261 billion in 2017.¹⁰³ The Pacific region has secured a small but important share of this growing market. In 2017, some 143,000 Chinese tourists visited Pacific Island countries, but the overwhelming majority (80%) visited just two states: Fiji and Palau.¹⁰⁴ Significant expansion is expected, as the World Bank estimates that Chinese visitors to its Island members could continue to grow at 20% per year to reach 965,000 visitors by 2040.¹⁰⁵ This prospect is why states such as Samoa and Tonga have identified Chinese tourists as a potential panacea for their tourism sectors, which have underperformed compared to expectations.

Beijing is well aware of the potential soft-power importance of tourism to the Pacific Islands. The creation of an 'approved destination status' (ADS) is the principal means by which the PRC has been able to turn tourism into a diplomatic tool. ADS is used to approve countries where state-run Chinese tour agents are allowed to operate. In addition, the Chinese Government has supported a range of activities and infrastructure developments to enable the growth of Chinese tourism. Joint Chinese state- and business-supported agencies such as Welcome China and programs such as China Ready promote Xi's soft-power focus on promoting Chinese culture as well as tourism-related infrastructure investment that may link into his BRI project.

The Welcome China agency helps to direct Chinese tourists to specific destinations in ADS countries by providing a system of accreditation for Pacific hotels, hospitals and other facilities.¹⁰⁶ Outbound tourists are encouraged to 'feel comfortable and welcome in host countries' by guaranteeing them quality assurance, cultural awareness, consumer protection and respect for Chinese travellers. To secure Welcome China's basic accreditation, hotels have to have a Mandarin-speaking staff member, Chinese food and a 'welcome kit' in Mandarin about the hotel and its locale. A higher level requires at least two Mandarin-speaking television channels, acceptance of China UnionPay (the PRC's domestic bankcard) and, perhaps ironically given the PRC's internal censorship, free Wi-Fi.

Smaller hostelries, however, are concerned that Welcome China accreditation is likely to concentrate visitors into large chain hotels linked to major transport agencies that are rarely locally owned. Indeed, such fears are deepened if the hotel chain arranging mass tourism from China remains in a network owned by a Chinese enterprise. Using Chinese airlines, Chinese tour operators and Chinese-owned land transport and hotels to capture the bulk of the growth in Chinese tourism to the Pacific will very much reduce tourism's economic impact in destination countries. That was the experience of Guam in the 1980s, when Japanese tourism boomed. Fiji continues to resist Chinese pressure to give airline landing rights, in part over this concern but also to preserve the financial viability of Fiji Airways.

Whether tourism emerges as a significant Chinese soft-power asset in the region will depend in large part on its implementation, extent and impact on local economies. However, there are sticky-power risks for regional states, especially the smaller states, if Chinese tourism becomes a significant contributor to national income. This is the basis for the claim that China has already 'weaponised tourism' to force compliance with its foreign policy interests.¹⁰⁷ The PRC, in effect, banned tour groups and further Chinese investment in Palau, which recognises Taipei, by reminding tour organisers during 2017 that Palau wasn't on the ADS list. Before the ban, Chinese tourists accounted for about half of Palau's tourist trade and half its employment.¹⁰⁸ Palau's case could be regarded as an example of the application of coercive (hard) influence through the economic agency of sticky power.

In one case, it appears that the value of Chinese tourism and related investments have had impacts on American hard power as an opportunity cost. The US Department of Defense put forward a proposal in 2015 to develop training facilities on Tinian in the Commonwealth of the Northern Marianas. Concern that such a military purpose would threaten the island tourist industry, which is largely based on Chinese visitors, led to combined local and Chinese business protests against it.¹⁰⁹ Just how sticky Chinese tourism might be to the Northern Marianas won't be tested in the marketplace but in court. One of the court cases spawned by the protests was decided in August 2018 in favour of the US Navy.¹¹⁰

China's membership of the South Pacific Tourism Organisation is an interesting and significant measure of the perceived importance to China of leveraging soft power through tourism. The organisation is the only forum through which the PRC engages with the Pacific Islands directly as a participating member of a regional intergovernmental agency. Not only is China a formal member (Australia and New Zealand aren't members), but it sits on the regional organisation's governing board.

CONCLUSIONS AND SOME RECOMMENDATIONS FOR AUSTRALIA

Soft power doesn't explain China's presence in the Pacific Islands region. Nor does it explain the extent of the PRC's influence in the South Pacific. The PRC's lack of a historical record in the region as well as its relatively recent activism on the global stage obliged China to develop its influence through fairly standard diplomatic, political and economic mechanisms pre-dating any significant precursors to soft power. Only in recent years has it sought deliberately to parlay its traditional bases for influence into relationships that include a soft-power dimension.

Burgeoning governmental and public awareness of China's growing presence and acceptance in the Pacific Islands has made Chinese soft power a hot-button topic for the Australian Government and media alike. However, as this report shows, there's little evidence of effective Chinese soft power in the region. The Chinese political system, economy or culture aren't (yet) seen as compelling models to be emulated by Pacific Islanders. The PRC's economic miracle is admired and its policy support on issues such as climate change is appreciated, but it isn't a beacon for economic, political or social change. Generally, Islanders simply see a pragmatic advantage in engaging with China productively.

Over time, that engagement may inspire the sort of trust that leads to greater soft-power influence whereby China gains political and security wins solely on the strength of an uncritical trust in and admiration for the Chinese way of doing things. The Chinese Government hopes so and is investing in its view of soft power to secure closer relationships with the Pacific Islands in the longer term.

Nevertheless, China's primary influence remains largely transactional, but with an increasing awareness of the potential advantages of a deeper soft-power footprint. The PRC is trying to force the pace of soft-power acceptance in areas such as tourism, but political gaffes continue to show that it's the government's soft power at home that drives its international agenda. Soft power abroad is less a priority than proving to Xi's domestic audience that China is respected.

While Pacific Islanders tend to focus on the transactional benefits of dealing with the PRC, some Island elites do enjoy being duchessed by the PRC. But, as noted in this report, that hasn't yet translated into widespread public admiration for China. Indeed, at times it serves to engender public suspicion of Islanders' own elites as much as of the Government of China.

This points to a key finding of this report: the distinction between influence and soft power. As Nye has warned, there are real risks for democracies in trying to prevent any state from using soft-power tools to proclaim its perceived virtues legitimately.¹¹¹ States based on freedom can't make themselves the enemy of freedom in its defence. This can be a frustration for policymakers in democracies such as Australia, where the soft-power cards seem stacked against them. Closed societies such as China seem to enjoy every advantage in promoting themselves in Western states, but reciprocal opportunities in the other direction are decidedly lacking.

So, within the limits of this policy ambiguity, what can Australia do about Chinese soft power and its relationship to influence in the Pacific Islands? We have such a substantial lead in soft-power influence that the better strategy appears to be to concentrate on improving those assets that have made our soft power so influential for decades, rather than responding negatively to counter much more limited and still evolving Chinese soft-power assets in the region. The following recommendations seek to better leverage Australia's soft-power strengths to achieve influence through greater mutual benefits with our neighbours. On balance, it's likely to be counterproductive to attempt to neutralise China's soft-power influence, thus creating tensions with Beijing and possibly suggesting to long-time regional friends that they should choose sides.

Recommendation 1: Don't engage in a blame game over 'who lost the Pacific to China'

Perhaps the first point of departure towards a workable policy is to not engage with a media-promoted blame game over 'who lost the Pacific to China'. The central argument holds that Australia neglected the region in some way, which enabled China to win a position it couldn't have attained had it not been for Canberra's inattentiveness or misguided policies.¹¹² Its logical conclusion is to deny the undeniability of China's increase in power and influence globally over recent decades. Yet, as China was rising in power and influence in the rest of the world, it's hard to see why the South Pacific should have been uniquely quarantined. This debate has already inflicted some harm on Australia's soft power in the region by reviving colonialist imagery of possession and dominance.

Recommendation 2: Appreciate and make better use of Australia's range of grassroots assets

A second element should be to better appreciate and value the enormous range of soft-power assets that Australia already has in the region. The fact that China has only a limited range of such assets on which to draw shouldn't be taken to suggest that those assets are, in some way, more valuable than the additional ones at our disposal. We have a significant edge in people-to-people relations across the gamut of community interests throughout the region. These longstanding cultural, economic, political and social ties embody many of the common values that we seek to promote through our public diplomacy. This virtually unparalleled grassroots access throughout the region is already mobilised episodically and opportunistically, but more could be done to create synergies for soft-power influence. Coordination (perhaps better described as 'facilitation') among various transnational associations and organisations would have a multiplier effect in helping to solve problems in health, education, poverty relief and the like, especially if catalytic assistance were available to enable relevant groups to work together more effectively.

Recommendation 3: Promote soft power through small and micro-enterprises

A specific area of non-government activity and organisation that should be considered concerns village economies. Small and micro-enterprise development is a challenging area for any economy. The failure rate is high. Nevertheless, this needs to be addressed for various reasons, including improving the quality of life in villages and remote areas, slowing the rural drift to towns, and reducing the risks of social tensions (as evidenced by the riots in Tonga and Solomon Islands in 2006 and in PNG in 2009). The cultural factors that help to explain the dominance of Chinese migrants in the retail sector in so many regional states can't be overcome easily or quickly. However, NGOs have made a difference in some localities by providing administrative support, knowledge transfers, networking assistance and the like. Those efforts deserve greater support, as do opportunities for professional mentoring through service clubs with international linkages, such as Rotary.

Recommendation 4: Manage Australia's elite soft-power assets effectively

As impressive as is Australia's advantage in grassroots soft-power assets, the other end of the political spectrum is even more so. Australia has been intimately involved in instigating, developing, supporting and participating in the regional governance system. However, this level of elite influence comes with the highest level of responsibility as well. Two key challenges to regional soft-power influence exist in ramifications from the use (perhaps the misuse) of regional mechanisms to deal with the 2006 military coup in Fiji and in a continuing Island concern over Australia's position on the existential threat that climate change poses to the region. These need resolution but shouldn't overshadow the routine and key role that Australia plays in the South Pacific's regional ecology of intergovernmental, transnational and interagency relations. Shaping and promoting the values that hold the region together, as well enabling Island states to meet their individual national objectives, is an enormous soft-power asset that needs to be protected by listening with greater sensitivity. Our partners sometimes believe we have a tin ear.

Recommendation 5: Promote twinning to improve knowledge and share experience

China has promoted sister city and sister provincial relations as a means of burden sharing in development assistance and to help create the soft power of a special connection with China. For a decade, Australia has had twinned relationships between state and territory parliaments and Pacific Island parliaments. Although it has suffered from a lack of support, this arrangement provides a very useful institutionalised (if underutilised) vehicle for communication among governing elites whose job it is to promote and defend the values of a democratic society. Expanding this arrangement, with proper resourcing, to include other agencies such as the police, emergency services and schools would contribute significantly to the depth of interests shared between Australia and our neighbours. A twinned relationship of education departments, for example, would make the implementation of 'adopted' schools programs far more manageable. Similarly, the small-town experience of state police services will be closer to the experience of most Pacific Island services. Twinning will also provide a more comprehensive linkage to national and transnational law enforcement.

Recommendation 6: Strengthen soft-power assets in Australia

Strengthening soft-power assets in Australia is another area of opportunity in which we can use its people-to-people pre-eminence to advance our soft-power influence in the South Pacific. The Pacific Islander diaspora in Australia provides a strong connection between the peoples of Australia and the Islands. Its contribution could be better recognised and used to understand developing issues and trends in the region. This initiative should include the 'Pacific Chinese' diaspora living in Australia. The Seasonal Worker Programme has proved such a genuinely positive structural shift in Australia's soft-power relations with the region that it's been supplemented with the complementary Pacific Labour Scheme.¹¹³ Both offer opportunities to develop selected, aid-supported, short skills courses for participating workers to value-add by helping to build needed capacity for use on their return to their home countries.

Recommendation 7: Avoid the appearance of competitive aid-giving (dollar diplomacy)

Although this ship may well have already left the dock, it's desirable to avoid, as far as possible from here on, reinforcing the appearance of competitive aid-giving with regard to China in the region. The value of much-needed development assistance as a soft-power asset is degraded the more the aid looks less like compassion and more like a transactional barter for loyalty. Given that this is a core complaint by critics of Chinese aid, it scarcely helps to put Australia's long-established support for the development aspirations of Pacific peoples in the same boat. This issue isn't entirely within Australia's gift. Competition in aid goes against the Cairns Compact on more effective aid coordination,¹¹⁴ but the PRC has proved reluctant to support such arrangements.

Recommendation 8: Invest in smarter infrastructure development

Pacific Islanders have long wanted more infrastructure development, and there's more than a little truth to the complaint that this area was left wide open for China. As Australia's aid priorities appropriately appear to be giving more weight to this area, there are some significant opportunities to differentiate our approach from the current Chinese model. Ensuring close consultation on localising plans and using local labour are already elements in government projects, but making such factors an essential focus will make a difference. Including significant skills training and administrative mentoring components into projects is also key, as this means they leave more than infrastructure behind when construction is completed. Ideally, funding for those components should be made available to Australian firms competing privately for infrastructure projects in the region, so that they don't lose any competitive advantage when tendering by including such skills-transfer elements.

Recommendation 9: Promote soft power through information for open societies

China has made a significant contribution to regional journalism by providing technical skills training. The training appears to be highly regarded locally but tends to be limited in scope by the constraints China puts on its own journalists. Self-censorship by Chinese journalists and media also limits the value of such training and role modelling. Beyond technical knowledge, good journalism requires data-gathering and analytical skills as well as fact-checking, legal rights and journalistic integrity. Typically, in the South Pacific as in Australia, there's a fairly high turnover in journalists, who go into other areas such as the editorial stream, public relations, political advisory work and the like. Thus there's a need for, and interest in, a regular program training reporters in those skills. Improved journalistic forensic capacity would be one of the main contributors to preventing soft-power freedoms from being used for sharp-power manipulation of information.

NOTES

- 1 Meg Taylor, 'Keynote address by Dame Meg Taylor, Secretary General: "The China alternative: changing regional order in the Pacific islands"', Pacific Islands Forum Secretariat, 8 February 2019, [online](#).
- 2 Elena Collinson, *China in Australia's Foreign Policy White Paper*, Australia–China Relations Institute, 23 November 2017, [online](#).
- 3 Angus Grigg, Lisa Murray, 'Malcolm Turnbull calls China a "frenemy", toughens stance towards Beijing', *Foreign Affairs*, 16 June 2017, [online](#).
- 4 Danielle Cave, 'Australia and Huawei in PNG: more than too-little-too-late diplomacy', *The Strategist*, 27 November 2018, [online](#).
- 5 This report focuses on the Chinese state *per se*. Sub-organs of the state, such as the Chinese Communist Party, the People's Liberation Army and provincial governments, can play separate roles, which are noted where the evidence suggests they've been an influence. However, the primary influence outside the state of China has been the ethnic diaspora. The diaspora is difficult to define, and its relationship to the current state is contested but potentially very important for the Islands and for China.
- 6 Ethan Meick, Michelle Ker, Han May Chan, *China's engagement in the Pacific Islands: implications for the United States*, staff research report, US–China Economic and Security Review Commission, 14 June 2018, [online](#).
- 7 While this report reviews the broad bases of Chinese soft power in the Pacific Island region, there are a few important limits on the research underpinning the report. The field research focused on four states—Fiji, Samoa, Tonga and Vanuatu—which have been identified in various ways as key exemplars of the growth of PRC influence in region. Papua New Guinea is always an issue due to its size and resources, which distort regional data. A separate study would be needed to adequately assess the effects of PRC influence in those regional states that recognise Taiwan.
- 8 Grant Newsham, 'Beijing's great game to win over Pacific's small island states', *Asia Times*, 7 September 2018, [online](#).
- 9 Joseph S Nye Jr, *Bound to lead: the changing nature of American power*, Basic Books, 1990.
- 10 David Wroe, 'Australia will compete with China to save Pacific sovereignty, says Bishop', *Sydney Morning Herald*, 18 June 2018, [online](#).
- 11 Peter J Connolly, 'Engaging China's new foreign policy in the South Pacific', *Australian Journal of International Affairs*, 2016, 70(5):484–505, [online](#).
- 12 Joseph S Nye Jr, 'Power shifts', *Time*, 9 May 2011, [online](#).
- 13 Jamie Tarabay, 'CIA official: China wants to replace US as world superpower', *CNN*, 21 July 2018, [online](#).
- 14 Josh Rogin, 'Pence: It's up to China to avoid a cold war', *Washington Post*, 13 November 2018, [online](#).
- 15 Meick et al., *China's engagement in the Pacific Islands: implications for the United States*.
- 16 Joseph S Nye, 'China's soft and sharp power', *The Strategist*, 8 January 2018, [online](#).
- 17 'The subtleties of soft power: China is spending billions to make the world love it', *The Economist*, 23 March 2017, [online](#).
- 18 Newsham, 'Beijing's great game to win over Pacific's small island states'.
- 19 'Commentary: The myth about China's "chequebook diplomacy"', *Xinhuanet*, 12 May 2017, [online](#).
- 20 Lily Kuo, Niko Kommenda, 'What is China's Belt and Road Initiative?', *The Guardian*, no date, [online](#).
- 21 Ron Huiskens, 'The slipperiness of "soft power"', *The Strategist*, 22 September 2016, [online](#).
- 22 Nye, 'China's soft and sharp power'.
- 23 Anne-Marie Brady, *Magic weapons: China's political influence activities under Xi Jinping*, Wilson Center, 18 September 2017, [online](#).
- 24 'What to do about China's "sharp power"', *The Economist*, 14 December 2017, [online](#).
- 25 Walter Russell Mead, 'America's sticky power', *Foreign Policy*, 29 October 2009, [online](#).
- 26 US Department of Defense, *Annual report to Congress: Military and security developments involving the People's Republic of China*, 2018, 16 May 2018, [online](#).
- 27 'The subtleties of soft power: China is spending billions to make the world love it'.
- 28 Eleanor Albert, *China's big bet on soft power*, Council on Foreign Relations, 9 February 2018, [online](#).
- 29 JP Singh, Stuart MacDonald, *Soft power today: measuring the influences and effects*, British Council, 2017, [online](#).
- 30 Singh & MacDonald, *Soft power today: measuring the influences and effects*.
- 31 'China's soft power: a comparative failure or secret success', *CPD Blog*, Center on Public Democracy, University of Southern California, 25 August 2017, [online](#).
- 32 Graham Allison, 'The Thucydides trap: are the US and China headed for war?', *The Atlantic*, 24 September 2015, [online](#).
- 33 Erwin Blaaauw, *The driving forces behind China's foreign policy—has China become more assertive?*, Rabobank, 23 October 2013, [online](#).

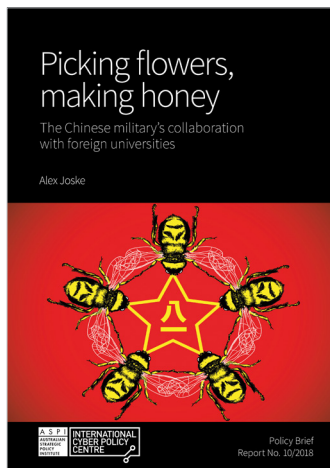
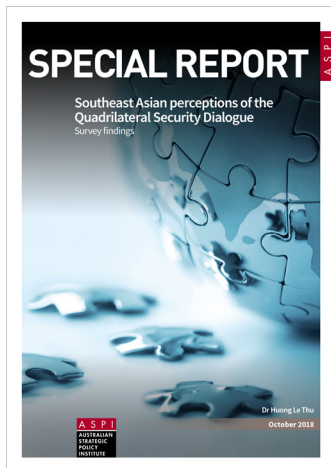
- 34 Albert, *China's big bet on soft power*.
- 35 Matthew Dornan, Philippa Brant, 'Chinese assistance in the Pacific: agency, effectiveness and the role of Pacific Island governments', *Asia and the Pacific Policy Studies*, 11 June 2014, [online](#).
- 36 'Pacific Island power recognised at UN', *News.com.au*, 1 September 2011, [online](#).
- 37 'China helps fund Fijian presidency at COP 23', *Radio New Zealand*, 15 December 2016, [online](#).
- 38 Polyák Eszter, 'Chinese soft power in the developing countries: Africa', *Pageo*, 8 February 2018, [online](#).
- 39 Newsham, 'Beijing's great game to win over Pacific's small island states'.
- 40 Samantha Custer, Brooke Russell, Matthew DiLorenzo, Mengfan Cheng, Siddhartha Ghose, Jacob Sims, Jennifer Turner, Harsh Desai, *Ties that bind: quantifying China's public diplomacy and its 'good neighbor' effect*, AidData, 27 June 2018, [online](#).
- 41 'Calls for screening as 77 Chinese nationals deported from Fiji', *SBS News*, 9 August 2017, [online](#).
- 42 Agence France-Presse, 'Mass deportation of Chinese from Fiji in latest offshore crackdown by Beijing', *The Guardian*, 8 August 2017, [online](#).
- 43 Fiji Police Force, Embassy of the People's Republic of China, 'A joint statement by the Fiji Police Force and the Embassy of the People's Republic of China', *Fiji Sun*, 8 August 2017, [online](#).
- 44 Lee Duffield, 'Vanuatu digs in on Chinese presence—Foreign Minister says it's "great"', *Independent Australia*, 28 July 2018, [online](#).
- 45 Hagar Cohen, Tiger Webb, 'Chinese nationals deported from Fiji were sex workers, not fraudsters: source', *ABC News*, 6 October 2017, [online](#).
- 46 Agence France-Presse, 'Mass deportation of Chinese from Fiji in latest offshore crackdown by Beijing'.
- 47 National Federation Party, 'NFP calls for full disclosure on arrest and supervised repatriation of Chinese', media release, *Uniting Fiji*, 10 August 2017, [online](#).
- 48 Graeme Smith, 'Chinese policing on show', *Inside Story*, 5 October 2017, [online](#).
- 49 Cohen & Webb, 'Chinese nationals deported from Fiji were sex workers, not fraudsters: source'.
- 50 Jonathan McClory, *The Soft Power 30: a global ranking of soft power, 2017*, Portland and USC Center on Public Diplomacy, 2017, [online](#).
- 51 Jonathan McClory, *The Soft Power 30: a global ranking of soft power, 2018*, Portland and USC Center on Public Diplomacy, 2018, [online](#).
- 52 Eric Draitser, 'China's NGO law: countering Western soft power and subversion', *Mocialisation.ca*, 25 July 2015, [online](#).
- 53 Philippa Brant, 'Chinese aid in the South Pacific: linked to resources?', *Asian Studies Review*, 2013, 37(2), [online](#).
- 54 George Gao, 'Why is China so ... uncool?', *Foreign Policy*, 8 March 2017, [online](#).
- 55 'The subtleties of soft power: China is spending billions to make the world love it'.
- 56 McClory, *The Soft Power 30: a global ranking of soft power, 2017*.
- 57 Embassy of the People's Republic of China in New Zealand, 'Xi Jinping holds group meeting with leaders of Pacific Island countries and delivers a keynote speech building strategic partnership of mutual respect and common development and together realizing dream of development, prosperity and harmony', news release, 22 November 2014, [online](#).
- 58 Wroe, 'Australia will compete with China to save Pacific sovereignty, says Bishop'.
- 59 Maria Abi-Habib, 'How China got Sri Lanka to cough up a port', *New York Times*, 25 June 2018, [online](#).
- 60 Deborah Bräutigam, Kevin P Gallagher, 'Bartering globalization: China's commodity-backed finance in Africa and Latin America', *Global Policy*, 2014, 5(3):346–352, [online](#).
- 61 Ronak D Desai, 'With a new president, can the Maldives escape China's debt trap?', *Forbes*, 29 October 2018, [online](#).
- 62 Tripti Lahiri, 'Malaysia is pushing back against a \$20 billion Chinese debt trap', *Quartz*, 13 August 2018, [online](#).
- 63 Ben Bohane, 'South Pacific nation shrugs off worries on China's influence', *New York Times*, 13 June 2018, [online](#).
- 64 'State of the Pacific 2018: beyond the China syndrome', State of the Pacific 2018, Australian National University, 10–12 September, [online](#).
- 65 Matthew Dornan, 'Australia's relationships with its Pacific island neighbours should not be about China', *DevPolicyBlog*, 25 June 2018, [online](#).
- 66 Koh King Kee, 'Did China get Sri Lanka to cough up a port?', *China Today*, 31 July 2018, [online](#).
- 67 Joyetter Feagaimaali'i-Luamanu, 'Pohiva says "slow down" on Chinese loans', *Samoa Observer*, 14 August 2018, [online](#).
- 68 Ashna Kumar, 'My patriotic duty, says Rabuka in response to A-G statement', *Fiji Sun*, 24 June 2018, [online](#).
- 69 Catherine Graue, Stephen Dziedzic, 'Federal minister Concetta Fierravanti-Wells accuses China of funding "roads that go nowhere" in Pacific', *ABC News*, 10 January 2018, [online](#).
- 70 Bruce Hill, 'Samoa PM hits back at Australia's "insulting" criticism of China's aid program in Pacific', *ABC News*, 12 January 2018, [online](#).
- 71 Stephen Dziedzic, 'Beijing complains about Australia's "irresponsible" attack on China's Pacific aid program', *ABC News*, 11 January 2018, [online](#).
- 72 Graeme Smith, 'Are Chinese soft loans always a bad thing?', *The Interpreter*, 29 March 2012, [online](#).
- 73 Graeme Smith, 'Is there a problem with ... PRC aid to the Pacific?', *China Matters*, no date, [online](#).
- 74 'China promises Africa debt relief as Xi counters aid criticism', *Bloomberg*, 3 September 2018, [online](#).
- 75 David Crowe, '"For the Pacific it's always about cash": Environment Minister in diplomatic incident over climate change', *Sydney Morning Herald*, 17 October 2018, [online](#).
- 76 Duffield, 'Vanuatu digs in on Chinese presence—Foreign Minister says it's "great"'.
- 77 David Wroe, 'China says Pacific debt claims "ridiculous" after Julie Bishop raises concerns', *Sydney Morning Herald*, 19 June 2018, [online](#).
- 78 *China going global: between ambition and capacity*, China Policy, Beijing, April 2017, [online](#).
- 79 Nyshka Chandran, 'Taiwan's fight for global recognition is unfolding in the Pacific', *CNBC*, 27 September 2018, [online](#).
- 80 Dornan & Brant, 'Chinese assistance in the Pacific: agency, effectiveness and the role of Pacific Island governments'.

- 81 Fraser Howie, 'China business and China threats', *The Interpreter*, 9 July 2018, [online](#).
- 82 Katharine Woolrych, Jon Fraenkel, 'NZ and Australia: big brothers or distant cousins?', *The Interpreter*, 1 August 2018, [online](#).
- 83 Graeme Smith, 'The six billion kina answer', *DevPolicyBlog*, 8 October 2015, [online](#); Dornan & Brant, 'Chinese assistance in the Pacific: agency, effectiveness and the role of Pacific Island governments'.
- 84 Godwin Ligo, 'Chinese shop still using plastic bags', *Daily Post*, 16 July 2018, [online](#).
- 85 Stewart Firth, *Instability in the Pacific Islands: a status report*, Lowy Institute, 4 June 2018, [online](#).
- 86 Ilia L Likou, 'Savai'i village bans Chinese-owned shops', *Samoa Observer*, 17 February 2017, [online](#).
- 87 Benjamin Shook, 'Just how far would China go to protect its citizens?', *The Diplomat*, 14 April 2015, [online](#).
- 88 Connolly, 'Engaging China's new foreign policy in the South Pacific'; Nic Maclellan, 'Operation South Pacific?', *Inside Story*, 29 March 2018, [online](#).
- 89 Susan Windybank, *Why China first wooed then jilted Kiribati*, Centre for Independent Studies, 29 January 2007, [online](#).
- 90 Custer et al., *Ties that bind: quantifying China's public diplomacy and its 'good neighbor' effect*.
- 91 Tara Francis Chan, 'China just took over radio frequencies left behind by Australia—and it shows Beijing is winning over the Pacific', *Business Insider Australia*, 23 June 2018, [online](#).
- 92 Graeme Smith, 'See the difference: CGTN's Australian gambit', *The Interpreter*, 12 October 2018, [online](#).
- 93 'The Media Exchange Group of the Overseas Chinese Affairs Office of the State Council held a Chinese media exchange seminar in Fiji', news release, Overseas Chinese Affairs Office of the State Council, 28 June 2017, [online](#) (in Chinese).
- 94 Anne-Marie Brady, 'China matters in the South Pacific', *The China Story Journal*, 27 February 2015, [online](#).
- 95 Paul D'Arcy, 'The Chinese Pacifics: a brief historical review', *Journal of Pacific History*, 2014, 49(4):396–420, [online](#).
- 96 James Chin, 'Contemporary Chinese community in Papua-New Guinea: old money versus new migrants', *Chinese Southern Diaspora Studies*, January 2008, [online](#).
- 97 Anthony van Fossen, 'Passport sales: how island microstates use strategic management to organise the new economic citizenship industry', *Island Studies Journal*, 2018, 13(1):285–300, [online](#).
- 98 Custer et al., *Ties that bind: quantifying China's public diplomacy and its 'good neighbor' effect*.
- 99 Firth, *Instability in the Pacific islands: a status report*.
- 100 Tuatagaloa Aumua Ming Leung Wai, speech, China and the Pacific: The View from Oceania Conference, National University of Samoa, Apia, Samoa, 25 February 2015.
- 101 Ministry of Foreign Affairs, 'Tripartite meeting to improve the safety situation of the Chinese community in Tonga', news release, Chinese Government, 3 March 2017, [online](#).
- 102 Connolly, 'Engaging China's new foreign policy in the South Pacific'.
- 103 Mata'afa Keni Lesa, 'Talofa lava and welcome to "China ready" Samoa', *Samoa Observer*, 9 August 2018, [online](#).
- 104 Meick et al., *China's engagement in the Pacific Islands: implications for the United States*.
- 105 Meick et al., *China's engagement in the Pacific Islands: implications for the United States*.
- 106 *Welcome Chinese*, [online](#).
- 107 Kerry K Gershaneck, 'China's plan for conquest of the South Pacific', *Asia Times*, 7 September 2018, [online](#).
- 108 World Bank, *Tourism*, no date, [online](#).
- 109 Meick et al., *China's engagement in the Pacific Islands: implications for the United States*.
- 110 Sophia Perez, 'A closer look at the court ruling on the lawsuit against the Navy', *Marianas Variety*, 29 August 2018, [online](#).
- 111 Nye, 'China's soft and sharp power'.
- 112 Sarah O'Dowd, 'Power plays in the Pacific', *East Asia Forum*, 21 August 2018, [online](#).
- 113 Department of Jobs and Small Business, *Seasonal Worker Programme*, Australian Government, 2 April 2019, [online](#).
- 114 Pacific Islands Forum, *Cairns Compact on Strengthening Development Coordination in the Pacific*, August 2009, [online](#).

ACRONYMS AND ABBREVIATIONS

ABC	Australian Broadcasting Corporation
ADS	approved destination status
BRI	Belt and Road Initiative
CCP	Chinese Communist Party
CCTV	China Central Television
CGTN	China Global Television Network
CRI	China Radio International
NGO	non-government organisation
PNG	Papua New Guinea
PRC	People's Republic of China
SOE	state-owned enterprise

Some recent ASPI publications



WHAT'S YOUR STRATEGY?

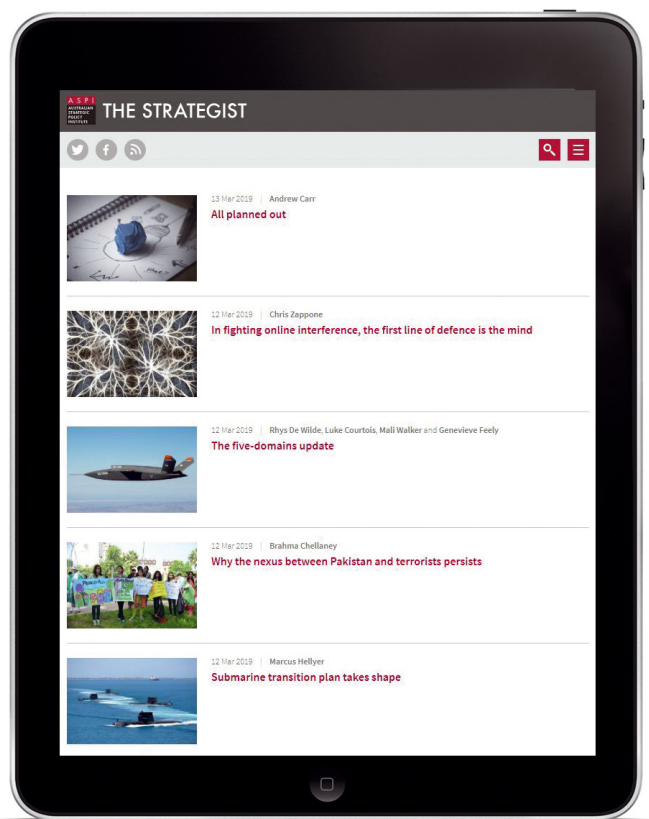


**Stay informed via the field's leading think tank,
the Australian Strategic Policy Institute.**

The Strategist, ASPI's commentary and analysis website, delivers fresh ideas on Australia's defence and strategic policy choices as well as encouraging discussion and debate among interested stakeholders in the online strategy community. Visit and subscribe to an email digest at www.aspistrategist.org.au.

 facebook.com/ASPI.org

 [@ASPI_org](https://twitter.com/ASPI_org)



Supported by



To find out more about ASPI go to www.aspi.org.au
or contact us on 02 6270 5100 and enquiries@aspi.org.au.

Chinese influence in the Pacific Islands

The yin and yang of soft power