
Gifts that Bind: China's Aid to the Pacific Island Nations

Fabrizio Bozzato

Abstract:

In the last decade, the People's Republic of China has risen to prominence in the Pacific Islands Region as one of the largest aid donor. In the past, China's engagement of the region was triggered by the principle of developing country international solidarity and Beijing's diplomatic rivalry with Taiwan. Presently, China is allotting aid and investing in the Pacific Islands principally to demonstrate the significance and importance of its role as a major Asia-Pacific and world power. Foreign aid is in fact an important part of the Chinese government's 'go global' strategy. Notably, China's aid is not conceived as a separate policy; aid flows are but one element within China's economic statecraft. Moreover, in the Chinese context, aid - which is normally negotiated and imparted bilaterally - tends to blur the traditional line between development assistance and foreign investment, and is intended as mutually beneficial. In the region, Chinese largesse amounts to a 'silent revolution', as aid recipients find themselves with a new source of funding and a wider set of partners. This, in turn, is changing the regional economic and geopolitical landscape. While Australia and the other traditional donors are expected to remain major players, China now offers a new port of call, and fresh economic options and opportunities, with the possibility of large-scale interventions. Therefore, Beijing's aid commitment to the region has led to a heated debate about its effects and implications. Two issues in particular drive the analytical unfolding of this paper. The first issue centers on the interplay of China's identities as a development partner and international stakeholder being a vector of aid provision. The second problem hinges on China's role in recasting the regional aid paradigm and the discourse it spins. The growing aid-propped Chinese presence and influence are likely to partially erode regional support for the established regional partners. This has elicited a robust strain of analytically distortive narrative framing China as a security threat. This investigation concludes that Beijing's aid provision will retain strong 'Chinese characteristics' due to the success of the Chinese aid model and suggests that traditional partners and Pacific Islands countries devise proactive and flexible strategies factoring China in the regional future.

Keywords: People's Republic of China, Pacific Islands Region, foreign aid, South-South cooperation, traditional donors

Introduction

The People's Republic of China's (PRC) aid to the Pacific Islands Region (PIR) has been on the rise since 2006. Resultantly, since then China has been increasingly recognized as an emerging regional aid provider. ^{*1} In 2012 Beijing ranked the third largest donor to the region according to statistics provided by the Sydney-based Lowy Institute. ^{*2} Currently, it might already be the second aid provider behind Australia. ^{*3} This is changing the regional economic and geopolitical landscape. While Australia and the other traditional donors will remain major players in the PIR, China now offers a new port of call, and new economic options and opportunities, with the possibility of large-scale interventions. In fact, the bulk of China's aid comes in the form of concessional loans to fund large infrastructure projects. Unsurprisingly, the soaring volume and influence of Chinese foreign aid is the subject of a growing number of studies by scholars of diverse fields. ^{*4}

In the past, China's engagement of the PIR was driven by the principle of developing country international solidarity and Beijing's diplomatic rivalry with Taiwan. Today, the PRC is investing in the Pacific Islands to demonstrate the significance and importance of its role as a major global and Asia-Pacific power. China employs the narrative of international citizenship and participation that is characteristic of 'donor nations'. Yet, it is surmised that China may be seeking to leverage on its valued economic and development relationships to challenge the established regional order or obtain political support for Chinese policies elsewhere. This is the backdrop over which the paper unfolds. This research attempts to contribute to the scholarly debate by examining Chinese aid dynamics in the PIR in the broad context of China's ongoing integration and socialization into the international system. In particular, the analysis addresses the following two questions:

1. How has the interplay of China's identities as a development partner and the evolving international system shaped Beijing's aid provision to the PIR?
2. How has Chinese aid to the Pacific Island nations recast the regional aid paradigm and spun narratives about China's motives?

2. How is China's aid given?

China's total aid spending to the region amounts to \$US1.78 billion, spread across 218 projects, since 2006. ^{*5} Chinese aid is normally disbursed bilaterally, and financed through three instruments: ^{*6}

- grants
- interest-free loans

- concessional loans (fixed-rate, low-interest)

The PRC utilizes these modalities for different kinds of support and according to its assessment of the recipient country's financial governance and situation.^{* 7} Grants and zero-interest loans used to be the primary instruments of China's official development aid until 1995 when concessional loans were introduced.^{* 8} While China's Ministry of Commerce (MOFCOM) is responsible for grants and interest-free loans, two Chinese financial enterprises: China Eximbank and China Development Bank provide the bulk of Chinese overseas finance. These two policy banks, established in 1994, operate as part of Beijing's portfolio of instruments to support China's own development goals.^{* 9}

Grants (and Technical / humanitarian Assistance)

China's 2014 white paper on foreign aid stipulates that grants accounted for 36.2 percent of the total assistance volume in the 2010-2012 interval.^{* 10} Even though grants are commonly given for a value of either RMB 10 million (US\$ 1.64 million) or RMB 20 million (US\$ 3.28 million)^{* 11} they are not usually disbursed as cash, but rather are in the form of Chinese goods and services, and used for small and medium-size projects that improve social welfare, for humanitarian aid, and as other in-kind assistance.^{* 12} China's 2011 White Paper on Aid categorizes building hospitals, schools and low-cost houses, and water-supply projects as the fulfillment of social welfare.^{* 13} Furthermore, other in-kind assistance consists of "providing expertise in the fields of education, health, agriculture, environmental conservation, military and processing."^{* 14} In addition, Beijing offers scholarships and training programs.^{* 15} Apart from providing goods and services, Chinese government's humanitarian aid for rapid response to emergencies or disasters is provided in 'cash'^{* 16} consistently with a growing trend among other donors.^{* 17}

Interest-free loans

Interest free loans are usually provided for a twenty-year period, including five years of use, five years' grace and ten years of repayment. They are normally utilized for public facilities and projects that "improve people's livelihoods."^{* 18} The repayment terms can be renegotiated, and outstanding debts can be cancelled (by turning them into grants). However, interest free loans are only provided following China's assessment of the recipients' financial conditions. A University of Stellenbosch's study on Chinese aid to Africa notes that Beijing's interest free loans are often remitted (converted into grants) for the sake of debt relief to mark visits of Chinese leaders or high-profile figures.^{* 19} In such instances, China's generosity is imparted to gain respect as a responsible international stakeholder from the recipient countries and the global community.^{* 20}

Concessional loans

Concessional (or preferential) loans are provided to fund large projects, with a minimum loan of RMB 20 million (US\$ 3.28 million). “According to analysis by the Australian National University, the loans typically offer a five- to seven-year grace period and then an interest rate of 2 to 3 percent over 15 to 20 years,” * ²¹ and are as much about securing market access for Chinese companies as helping recipient nations. These loans are provided by China Eximbank “under the designation of the Chinese Government.” The objective of these concessional loans is to “promote economic development and improve living standards in developing countries,” and to “boost economic cooperation between developing countries and China.” Projects must be able to yield “sound economic returns” or generate “social benefits.” * ²²

Interestingly, one of the key principles is that “the borrowing country shall have sound diplomatic relations with the Chinese Government, and shall be politically stable and economically sound, with debt servicing capacity and reliable contract performance record.” * ²³ Unlike the interest-free loans, concessional loans are not easily cancelled or rescheduled. * ²⁴ Notably, the foreign aid role of China Eximbank has expanded considerably. For example, by March 2000, Eximbank had financed sixty projects in thirty-one countries with total concessional loan commitments of only US\$ 470 million, or RMB 3.9 billion. By the end of 2009 Eximbank had committed concessional loan financing to 325 projects, worth RMB 73.55 billion (more than US\$ 10 billion), in seventy-six countries. * ²⁵

3. The rationale and principles of Chinese aid provision

China’s foreign aid policy is based on the *Eight Principles of Economic Aid and Technical Assistance* to other Countries and the framework of *South-South Cooperation*. * ²⁶ The Chinese government officially maintains that its foreign aid is provided with no political conditions and with the purpose of seeking cooperation and mutual benefit. * ²⁷ However, the reality is far more complex. China’s approach is pragmatic, and aid has been a useful policy instrument since the early days of PRC. Chinese aid is not conceived as a separate policy; aid flows are but one element within China’s economic statecraft, which also includes official loans at commercial rates, export credits and suppliers’ credits. On the one hand, Chinese foreign aid has (non-political) conditions attached, reflecting the links between aid, investment and development. * ²⁸ On the other hand, it could be argued that most of the foreign aid provided by China is either tied, conditional or both. * ²⁹

For example, the contractor for Eximbank’s concessional loans must be a Chinese company and (in principle) at least 50 percent of materials must be procured from China. Similar conditions apply to projects funded through grants or interest-free loans. On these grounds, Chinese aid

is heavily criticized by other donors (and recipients) for being 'tied'. * ³⁰ According to OECD DAC guidelines, "tied aid is official or officially supported loans, credits or associated financing packages where procurement of the goods or services involved is limited to the donor country or to a group of countries which does not include substantially all developing countries." * ³¹ However, in the Chinese context, 'aid' tends to blur the traditional line between development assistance and foreign investment.

Chinese aid does focus on economic development, but is also designed as mutually beneficial. It thus comes with tangible benefits for the Chinese. On the other hand, unlike OECD development assistance, aid from the PRC is not implicitly tied to the imposition of 'economic reforms' or increasingly political and focused on military assistance. * ³² Actually, the 'tied' nature of Chinese aid derives from the idea that aid should be 'win-win', with Chinese companies, suppliers, and workers also benefiting from the provision of assistance. * ³³ Foreign aid is an important part of the Chinese government's 'go global' strategy, providing support to Chinese companies to gain overseas experience, as well as future investment and market access opportunities. * ³⁴ There are further domestic drivers for the tying of aid, which Alden and Chen summarize well:

A strong rationale in the form of Chinese competitiveness; the oversupply of local firms in areas like construction; cultural cohesion; and work ethic; as well as familiarity with Chinese government procedures, are all features that explain the preference for use of Chinese firms and factors of production in the delivery of projects. * ³⁵

The PRC government is also frequently criticized for intentionally concealing the financial magnitude of its foreign aid as well as the modalities used by its aid agencies. Chinese officials often suggest that discretion is necessary for the sake of avoiding misperceptions on the recipient's side. They claim that some recipient countries could wrongly feel discriminated and demand more aid for the following year. This perception could get worse if there is a significant aid gap between two neighboring countries. Also, the Chinese government reportedly wishes to avoid domestic criticism of providing aid to foreign countries instead of eradicating poverty domestically. * ³⁶ New research on Chinese debates about the purpose of aid, and how that purpose should be achieved, reveals that Chinese aid is not a well-nestled element of an overarching strategy. Rather, where foreign aid is considered relevant vis-à-vis China's goals, its use is hotly contested. * ³⁷

In addition, according to the Chinese, Beijing's reluctance to publish aid statistics is due to the fact that the government lacks a centralized administrative structure to manage the country's foreign aid program, making it difficult to keep data on and calculate the volume of

development assistance provided by various ministries and agencies engaged in aid-giving.^{* 38} However, Brautigam counters this discourse by arguing that aid is managed as “part of a tightly controlled government reporting system.”^{* 39} Each year, MOFCOM and other ministries assemble the main foreign aid budgets which are collected by the Ministry of Foreign Affairs.^{* 40}

For the above reasons, in recent years Chinese aid to Africa, Latin America, the Caribbean and Pacific Islands has raised many questions about its composition, goals and nature. China’s aid commitment has led to a heated debate about its efficacy and implications. The debate is partially motivated by the rapid growth of China’s economic presence and influence in those parts of the world.^{* 41} Is the PRC a provider of economic salvation or an imperialist power cunningly using aid as a Trojan horse?^{* 42} By ignoring (Western) international standards, is China offering aid that is equal parts “toxic” and “enormously generous?”^{* 43} Unquestionably, aid is an effective policy instrument for China’s strengthening of ties with developing or least developed countries and essentially contributes to Beijing’s increasing economic clout in key regions.^{* 44}

Also, it would be difficult to deny that, Chinese largesse amounts to a ‘silent revolution’, as aid recipients find themselves with a new source of funding - and a wider set of partners.^{* 45} Also, some Western criticisms of Chinese aid might be ‘overplayed’ and the result of a greater ideological battle rather than legitimate concern for aid recipients.^{* 46} Beijing’s motives may not be substantially different from those shaping the allocation of Western foreign aid. But its approach is successfully innovative.^{* 47} Actually, an unbiased assessment of China as an international aid provider might conclude that China, short of being altruistic, is a mainly benign actor.

Unlike Western aid, a significant portion of which flows through multilateral institutions, Chinese aid is overwhelmingly agreed and implemented bilaterally. Therefore, its effects and epiphenomena might significantly differ intra-regionally. At country-level, the extent to which China’s help can be beneficial or pernicious is the result of the synergy of exogenous factors: the type of assistance delivered by China and its modalities, the presence of other established donors and the regional geopolitical ecosystem - with endogenous aspects: domestic political dynamics, civil society development, ethnic milieu, economic circumstances, geographic location and characteristics, and geopolitical alignment.^{* 48}

4. China’s aid to the Pacific Islands

Facilitating economic development, eliminating poverty and improving people’s livelihoods in

the Pacific Island nations has always topped China's official agenda for weaving Sino-Pacific relations. As stated above, Chinese aid to the Pacific Island countries (PICs) - mostly extended in the form of concessional loans - has totaled around US\$1.78 billion in the past decade. As revealed by new research on the Asian powerhouse's growing footprint in the PIR, Papua New Guinea, Fiji, Samoa and Vanuatu were among the largest beneficiaries of Chinese largesse between 2006 and 2013, which was spent on one-hundred and sixty projects across the region, Lowy Institute for International Policy figures show. * ⁴⁹ The following passage of the speech that Dame Meg Taylor, the Secretary General of the Pacific Islands Forum, gave at a 2015 conference on China in the Pacific, is very descriptive of the aid import:

In 2006 the first China-Pacific Island Countries Economic Development and Cooperation Forum was held. Since then the region has witnessed an increased flow of Chinese development assistance to the region. At the last China-Pacific Island Countries Forum in 2013, China announced a US\$1 billion concessional loan for infrastructure and a further US\$1 billion commercial loan for infrastructure projects to support economic and social development. Additionally, China pledged to provide zero tariffs for 95 percent for our products, 2,000 scholarships over the next four years, expand the region's tourism market in China, provide agricultural assistance and to render support on environment protection and disaster prevention and mitigation in the region. By 2013, China's projects in the region amounted to US\$ 5.12 billion. This has boosted construction and transport infrastructure sectors in Samoa, Papua New Guinea, Tonga, and Fiji. China's economic impact in the region is increasingly significant. Its Foreign Direct Investment in the region has risen, particularly in the minerals, construction, retail and wholesale sectors. The single largest Chinese investment in mining in the region is the US\$ 1.8 billion Ramu Nickel mine in Papua New Guinea. * ⁵⁰

Though Australia remains the largest provider of aid to the region (around US\$ 6.8 billion between 2006 and 2013) * ⁵¹ - contributing roughly four times more than China - its assistance to every PIC other than Papua New Guinea and Nauru has been falling considerably over the last three years. * ⁵² For example, Chinese aid to Fiji in the seven years to 2013 exceeded Australia's contribution by more than US\$110 million. Over the same period, China has given the Cook Islands US\$28 million more than Australia. * ⁵³ Even though the United States, Japan and New Zealand had outspent China in the region on total numbers up to 2013, * ⁵⁴ in 2015 Lowy Institute researcher Philippa Brant announced that China was on track to become the third largest donor in the region. * ⁵⁵ One year later, Beijing appears to be rising to second place in terms of total aid delivered to the region since 2006. * ⁵⁶

Notably, China does not publish comprehensive official figures about its aid programs, but Brant was able to agglutinate the data from more than five-hundred sources, including documents available only in Chinese, interviews, site visits and Pacific nations' budgets. * ⁵⁷ She

found out that:

Australia still dominates in terms of the amount of aid, so I don't think we're seeing any kind of challenge to Australia's role in the region, and I don't think the Australian government should have any concerns [...] but China is having a large impact within Pacific Island communities and that's something Australia and New Zealand need to consider. * 58

Indeed, China might soon become the Pacific's second largest donor, behind Australia. * 59 As explained above, China tries to combine its actual capabilities with the island countries' developmental priorities when considering cooperation in infrastructure construction. The Chinese government, through grant aid and concessional loans, helps Vanuatu, Fiji, Samoa and Micronesia to build schools, roads, wharfs, bridges, aquatic plants, cement plants, international airports, and funds the reconstruction of the commercial center of Tonga and the upgrade of a water supply system in the Cook Islands. * 60 Some of these projects have significantly improved the economic circumstances of the recipient countries and their peoples' living standards. * 61

Trade between China and the Pacific Islands continues to grow robustly, with two-way trade almost doubling to \$7.5 billion in 2015. * 62 Nearly one-hundred-and-fifty Chinese enterprises are now in the PICs with a total investment of nearly US\$1 billion and the contracts for construction projects exceeding US\$5 billion. Seven PICs are approved destinations for Chinese tourists. In 2015, approximately 140,000 Chinese tourists visited the Pacific islands. Between 2009 and 2014, the number of Chinese visitors to PICs grew by an average of 27 percent per annum, and now represent 7 percent of the inbound market. * 63 Every year, about a thousand students and civil servants from the PICs (those island states recognizing the PRC) go to study or receive training in the PRC via scholarships or training programs. * 64

The China-funded programs include agriculture, education, management, computer science, communications, medicine, biology, language, architecture, mechanics, aviation, economics, environmental protection, marine sciences and so on. Many of the awardees from the Pacific Islands have attained bachelor, master or doctoral degrees and now play important roles in their nation building. * 65 Signally, China's President Xi Jinping has pledged to provide 2,000 university scholarships and 5,000 training opportunities for Pacific Islanders over the 2015-2020 lustrum. * 66

Chinese development assistance in the PIR started attracting increasing attention since the first China-Pacific Island Countries Economic Development and Cooperation Forum in 2006, at which China announced RMB 3 billion (US\$492 million) in concessional loans to the region. * 67 In April 2013, the second China-Pacific Island Countries Economic Development

and Cooperation Forum was held in Guangzhou (PRC). At that event the Chinese government hatted-out US\$1 billion in concessional loans to the PICs having diplomatic ties with China, and the China Development Bank announced a special loan of US\$1 billion to support PICs in infrastructure, clean water supply, ecological farms, renewable energy and other fields, focusing on helping these countries to overcome sustainable development bottlenecks. * ⁶⁸ In comparison to the 2006 Cooperation Forum, both the quality and quantity of China's aid were increased. Interestingly, climate change and green technologies featured in Vice Premier Wang Yang's remarks. * ⁶⁹

In November 2014, Chinese President Xi Jinping held a group meeting with leaders from the eight Pacific island countries which have diplomatic relations with the PR in Nadi (Fiji). In his remarks he declared that "the relations between China and the Pacific Island countries are at a new historical starting point," * ⁷⁰ and even mentioned China's 21st-Century Maritime Silk Road initiative in relation to the PICs.

China put forward the 21st-Century Maritime Silk Road initiative, and we sincerely hope to share development experience and outcome with each island country, sincerely welcome all the island countries [italics is mine] to take the train of China's rapid development, and are willing to deepen cooperation with the island countries in economy, trade, agriculture, fishery, ocean, energy resources, infrastructure construction and other fields. China will offer zero tariff treatment for 97 percent tax items of exports of the least developed countries. China will continuously back key production projects as well as the construction of infrastructure and livelihood projects in the island countries. * ⁷¹

5. China: a dual-identity aid provider

All this predicates that China intends to maintain a long-term relationship with the region. Again, the PRC's engagement with the PIR is to be understood against the backdrop of a rising China and its ever-intensifying interaction with the international community. China has indeed expanded its engagement with developing countries in Africa, Latin America, the Middle East and Asia through "a plethora of recent investments and trade agreements, construction projects, and multilateral initiatives." * ⁷² Apart from bilateral relations, China has taken initiatives to engage those regions under different multilateral frameworks. For example, China established the Forum on China and Africa Cooperation (FOCACC) in 2000 as "the institutionalization of Sino-African relations at a time of intensified interactions and following a period of exponential growth in such linkages." * ⁷³ Another example of such multilateral mechanisms is the China-Arab States Cooperation Forum that China initiated in 2004. * ⁷⁴

Yet, China declined to participate in the Cairns Compact on Strengthening Development

Co-operation, launched at the 2009 Pacific Islands Forum in Cairns, which is a regional mechanism akin to the Paris Declaration on Aid Effectiveness. * ⁷⁵ This indicates that, in the PIR, China prefers to present itself as a developing country whose donor-recipient relations are carefully managed under the framework of South-South cooperation. Simply put, as a development partner rather than an established donor. Wang Yongqiu, the senior Chinese delegate in Cairns, consistently explained China's reluctance to participate in the Compact in a media interview:

We have different approaches and practices from Western developed countries. We feel it is unnecessary to accept this multilateral co-ordination mechanism, but we need time to study it. China is open and transparent in providing aid. * ⁷⁶

China's behavioral idiosyncrasies in the Pacific Islands can be partially explained as the expression of its dual identity as an aid provider. On the one hand, China's developing country identity explains the PRC's proclivity to present itself as a development partner rather than a donor country, irrespective of the fact that China has been providing aid for decades. Thus, China's assistance to other developing countries is framed as South-South Cooperation. Accordingly, the then Chinese Vice Foreign Minister Cui Tiankai told journalists at the Pacific Islands Forum summit in Rarotonga in 2012 that:

We are here to work with the island countries to achieve sustainable development because both China and the Pacific Island countries belong to the ranks of developing countries. [...] our policy approach and our practice are very different from those of the traditional donor countries. We are ready to exchange views, to compare respective practice; and where possible and feasible, we're open to work with them for the benefit to the recipient countries. We are here to be a good partner with the island countries; we are not here to compete with anybody. * ⁷⁷

On the other hand, the 'responsible rising power' identity and the international community's scrutiny and expectations compel China to conform to a responsible regional stakeholder persona: both innovatively and peculiarly. On this regard, there are new trends in China's aid-provision behavior in the PIR that warrant attention. First, China has shown a proactive attitude towards cooperation with traditional donors and a more governance-aware inclination in aid delivery. * ⁷⁸ In particular, there is an identifiable trend of cooperation with traditional regional donors, with the positive case of China's triangular cooperation with the Cook Islands and New Zealand - inaugurated in 2012 - standing as proof that carrying out aid projects with China is possible. * ⁷⁹

Moreover, in 2013 Australia and China signed a Memorandum of Understanding (MoU) on

Development Cooperation Partnership to strengthen collaboration between the two countries in aid delivery in Asia-Pacific.^{* 80} This MOU stands as a milestone on aid cooperation. Under the rather broad terms of the MOU, Australia and China agreed to conduct trilateral cooperation in priority areas including health. Malaria control was later identified as a pilot target and, in 2015, the China-Australia-Papua New Guinea Trilateral Aid Cooperation on Malaria Control was started.^{* 81} Also, in 2013 China and the US agreed on undertaking trilateral aid cooperation on agricultural development and food security in Timor-Leste, a country which is located at the edge of the PIR and has strong diplomatic and institutional links with it. Resultantly, a small pilot project on strengthening capacity building in Timor-Leste's agricultural sector was ran from November 2013 to December 2014.^{* 82}

In addition, even though in the past China failed to adequately participate in attempts to coordinate development efforts in several PICs, Beijing has been showing some willingness to learn from established donors. For example, in 2009 seventeen mid-level officials from MOFCOM attended a AusAID-hosted training workshop on the Australian best-practice system and approach. It was subsequently agreed to make it an annual event.^{* 83} After facing vocal criticism about the lack of flow-on benefits of its aid to the recipient countries' economies, China appears to be gradually moving from a self-centered, interested-based aid-paradigm to one more which is more attentive to the needs of and inputs from the PICs.^{* 84}

For example, since 2012 the PRC has expanded its cooperation with Fiji to climate change alleviation, sustainable development, energy security, and marine resources conservation.^{* 85} Also, at the 2014 second China-Pacific Island Countries Economic Development and Cooperation Forum, President Xi said China was ready to enhance communication with the island countries on global governance, poverty elimination, disaster reduction, food security, energy security, humanitarian aid and climate change to safeguard the common interests of all developing countries.^{* 86} Together with China's aforementioned participation in trilateral aid projects in the PIR, these declaratory and factual elements indicate that China is becoming more preoccupied with its regional image and also the sustainability of the projects it funds.^{* 87} This reflects both China's transition to a 'responsible rising power' persona and Beijing's reassessment of its interests vis-à-vis the norms and narratives set by the traditional donors and the PICs.^{* 88}

6. Limits of a Security Outlook

A realist security-outlook analytical approach might be deemed necessary, but is not sufficient for the sake of investigating China's engagement with the PICs, given that the region does not rank high in the Chinese security strategy vista.^{* 89} China's presence and activities in the PIR

should rather be examined in the context of the rise of China and its engagement with other developing countries driven by commercial and status concerns. * ⁹⁰ “China’s presence in the region is not uni-dimensional, but multi-versified and in flux. China’s view and perception of its place in the world arena, and its capacity to act accordingly, have changed: while the PIR might be still considered geopolitically marginal, as a state with global vision and ambitions, China needs to be a protagonist in every terraqueous quadrant.” * ⁹¹

China’s *liaison* with the Pacific Islands should therefore be viewed through the prism of China’s worldwide active diplomacy towards developing regions. * ⁹² Yet, the political and academic debate about China in the PIR is influenced by a robust strain of realist narrative about China geopolitical ambitions in and phantomatic master-plan for the broader Pacific. * ⁹³ This regime of representation is furthered by hard-line realist scholars. Even several US congressional research papers assert that China’s increasing military capabilities should become a primary focus of US strategic concerns. * ⁹⁴ This realist persuasion posits that the Sino-US power dynamic is moving toward a balance of hard power due to China’s military modernization and American responses to its traditional defensive role in East Asia, thus having a ‘spillover effect’ in the PIR. * ⁹⁵

It is a factual reality that China is expanding its naval and maritime capabilities, and being rigid in territorial disputes in both South China Sea and East China Sea. But it should be borne in mind that, contextually, Washington has been executing its pivot toward the Asia-Pacific strategy. * ⁹⁶ Anyhow, anxieties about local security ripples from China’s assertive rise and a Chinese challenge to Western strategic dominance in the PIR are corroborated only by very feeble and circumstantial evidence. * ⁹⁷ “China has neither the hard power nor the soft power to dominate the region.” * ⁹⁸

It is certainly correct to point out that while “the South Pacific region is not as important to China as say Southeast Asia or Africa; [...] its interests there have had a disproportionate effect on both local politics and economics.” * ⁹⁹ However, seeing China’s increasing influence in the PIR primarily in terms of threats and strategic competition would be analytically distortive. As remarked by Terence Wesley-Smith, “[China’s foray in the PIR] is not a military challenge, it’s a challenge to a sort of regime of aid and support that’s been developed over many decades, and it’s a regime of support which comes with an agenda.” * ¹⁰⁰ The China security-threat in the PIR narrative originates from a realist premise of balance of power seen as a zero-sum game of inter-states relations. As former US Ambassador to China Gary Locke remarked, this is a ‘trap narrative’:

Today the US-China relationship has emerged as one of the most important bilateral relationships in

the world, and so our two countries are attempting to develop a new model of relations whereby we are both committed to avoiding the historic trap of strategic rivalry between an emerging power and an existing power. * 101

Such an analytical approach centers on martial capability as the driving force of foreign policy while leaving other determinants like economic development and domestic politics aside. Even though some of China's aid is directed towards regional defense and paramilitary forces (in Fiji, PNG, Tonga and Vanuatu), it is limited to benign initiatives like upgrading a military hospital in PNG or the provision of uniforms and cars to the Vanuatu Mobile Force. * 102 Furthermore, China's increased engagement with the PIR is not challenging the traditional donors' (US, Australia, and New Zealand) regional development objectives given that the Pacific Islands continue to be highly dependent on development aid from the established donors. * 103 As for the Chinese aid modality, while the PRC 'aid vision' is different from the Western donors', it should be noted that the no strings attached and non-interference principles are consistent with Beijing's past and present bilateral aid modes. * 104

Conclusion

At the end of its navigation along the currents of China's aid to the Pacific Islands, this paper can now offer an answer to the two questions propounded in its introductory section. As for the combined effect of China's identities as a development partner and the evolving international system in informing Beijing's aid provision to the PIR, the analysis concludes that, even though China is improving its aid practices, its alignment with the international norms remains limited due to China's dual identity as an aid giver. Nonetheless, the PRC is becoming more cooperative with the traditional regional donors in terms of accommodating to their aid management mechanisms. Beijing is also enhancing its understanding of the recipients' needs and specificities by improving aid effectiveness. This is reflective of China's persona as a 'responsible power' mindful of the international community's scrutiny. The PRC, however, is not going to transform into a West-like donor. For the resilience of China's developing country identity - and the success of the Chinese aid model - postulate that Beijing's aid provision must retain strong 'Chinese characteristics', including a certain degree of opacity. * 105

Understanding the issue of Chinese aid changing the regional aid paradigm and spurring narratives about China's motives and ambitions requires the preliminary acknowledgment that China - thanks to the effectiveness of its aid practices - is successfully expanding and deepening its relations with its Pacific Island foederati well beyond aid relations. It is forging a strategic partnership with them. China is in the region to stay. The extension of Chinese influence has occurred even as Beijing no longer competes with Taipei for the diplomatic

recognition of the PICs. Ironically, the shift away from ‘checkbook diplomacy’ practices has opened new possibilities and avenues to Chinese aid and investment which, in turn, serve the purpose of expanding China’s commercial, economic, and political footprint. This, with time, could open the door to other forms of Chinese presence and eventually pose a security threat. However, little evidence exists that Chinese aid and economic activities in the PIR are masks for a greater military presence.

More significantly, the build-up of Chinese influence is likely to erode regional support for the established regional partners. This long-term erosion does have potential destabilizing effects. Unquestionably, the future occurrence of diplo-strategic competition in the region depends not only on Beijing’s conduct, but also on the other major players’ behavior. “China’s rising regional influence needs to be accommodated; attempts to resist and contain Chinese emergence would likely be unsuccessful and potentially divide countries in the region.” * ¹⁰⁶ In order to limit influential erosion and socialize China as a positive force for development and stability, simply monitoring Chinese efforts in the region would not suffice. Traditional regional powers and PICs should also develop proactive and flexible strategies factoring China in the Pacific Island system. Good strategies make good futures.

-
- * 1 Ngaire Woods, “Whose Aid? Whose Influence? China, Emerging Donors and the Silent Revolution in Development Assistance. International Affairs”, *International Affairs* 84, no. 6 (2008): 1205.
 - * 2 Annmaree O’Keeffe, *Bilateral Donors in the Pacific: Is it more than Development?*, address delivered at the “Club de Madrid Asia Pacific Forum”, Papeete, Tahiti, French Polynesia, 7 July 2012, <https://www.lowyinstitute.org/publication/bilateral-donors-pacific-it-more-development> (accessed October 7, 2016).
 - * 3 Danielle Cave, “Witnessing (An Opaque) Pacific Power Shift”, *The Interpreter*, 5 September 2016, <https://www.lowyinstitute.org/the-interpreter/witnessing-opaque-pacific-power-shift> (accessed October 7, 2016).
 - * 4 Graeme Smith and Paul D’Arcy, “Global Perspectives on Chinese Investment”, *Pacific Affairs* 86, no. 2 (2013): <http://www.pacificaffairs.ubc.ca/recent-issues/recent-issue-vol-86-no-2-june-2013/> (accessed October 7, 2016).
 - * 5 Cave, “Witnessing (An Opaque) Pacific Power Shift”, *op. cit.*
 - * 6 Information Office of the State Council, *China’s Foreign Aid* (Beijing: People’s Publishing House, 2014), 3.
 - * 7 Julie Lowrie, “China: Economic Intimidation and Runaway Corruption”, in *Power, National Security, and Transformational Global Events: Challenges Confronting America, China, and Iran*, ed. Thomas A. Johnson (Boca Raton, London and New York: CRC Press, 2012), 246.
 - * 8 Deborah Brautigam, “Chinese Development Aid in Africa: What, Where, Why, and How Much?”, in *Rising China: Global Challenges and Opportunities*, eds. Jane Golley and Ligang Song (Canberra: Australia National University Press, 2011), 205.
 - * 9 *Ibid.*, 204.
 - * 10 Information Office of the State Council, *China’s Foreign Aid*, *op. cit.*, 4.
 - * 11 Matthew Dornan and Philippa Brant, “Chinese Assistance in the Pacific: Agency, Effectiveness and the Role

- of Pacific Island Governments”, *Asia & the Pacific Policy Studies* 1, no. 2 (2014): 343-344.
- * 12 Brautigam, “Chinese Development Aid in Africa”, *op. cit.*, 205.
 - * 13 Information Office of the State Council, *China's Foreign Aid*, (Beijing: People's Publishing House, 2011), 7.
 - * 14 Martyn Davies *et al.*, *How China Delivers Development Assistance to Africa* (Stellenbosch: Centre for Chinese Studies at the University of Stellenbosch, 2008), 11.
 - * 15 *Guam U.S. Asia Security Alliance*, “China aid to Pacific Island nations”, 8 March 2015, <http://guasalliance.blogspot.tw/2015/03/china-aid-to-pacific-island-nations.html> (accessed October 10, 2016).
 - * 16 Jiuchang Wei, Dingtao Zhao, Dora Marinova, “Disaster Relief Drivers: China and the US in Comparative Perspective”, *China: An International Journal* 11, no. 2 (2013): 94-95.
 - * 17 Steven A Zyck, “Crisis Preparedness and Response: The Chinese Way”, *ODI*, 28 October 2013, <http://www.odi.org/comment/7953-advanced-course-crisis-recovery-transitions-china-disasters> (accessed October 6, 2016).
 - * 18 Information Office of the State Council, *China's Foreign Aid* (2014), *op. cit.*, 1.
 - * 19 Davies *et al.*, *How China Delivers Development Assistance to Africa*, *op. cit.*, 13.
 - * 20 Shannon Tiezzi, “China's \$3 Billion Message to the UN: Yes, We Are a Responsible Power”, *The Diplomat*, 29 September 2015, <https://mail.google.com/mail/u/0/#inbox/1581e79fe3c5c70b> (accessed October 8, 2016).
 - * 21 Karl Wilson, “Islands of Change” *China Daily Asia*, 7 October 2016, http://www.chinadailyasia.com/asiaweekly/2016-10/07/content_15507202.html (accessed October 7, 2016).
 - * 22 China Eximbank, “Chinese Government Concessional Loan”, *China Eximbank*, 2009, <http://english.eximbank.gov.cn/business/government.jsp> (accessed October 7, 2009).
 - * 23 China Eximbank, “Chinese Government Concessional Loan and Preferential Export Buyers' Credit”, *China Eximbank*, 2011, http://english.eximbank.gov.cn/businessarticle/activities/loan/200905/9398_1.html (accessed October 9, 2016).
 - * 24 Dornan and Brant, “Chinese Assistance in the Pacific”, *op. cit.*, 345.
 - * 25 Deborah Brautigam, “China's Aid Policy”, in *The Oxford Companion to the Economics of China*, ed. Shenggen Fan *et al.* (Oxford University Press: Oxford, 2014), 135.
 - * 26 Yanbing Zhang & Ying Huang, “Foreign Aid: The Ideological Differences between China and the West”, *CIR* 22, no. 2 (2012): 20-36.
 - * 27 Carmen Amado Mendes, *China's South-South Cooperation and its Impact on the EU: The Global Implications of China's New Cooperation Framework* (Brussels: Europe China Research and Advice Network, 2014), 5-7.
 - * 28 Charles Wolf Jr., “The Strategy behind China's Aid Expansion”, *Wall Street Journal*, 9 October 2013, <http://www.wsj.com/articles/SB10001424052702303796404579099843923882238> (accessed October 17, 2016).
 - * 29 Alex Mourmouras and Wolfgang Mayer, *The Political Economy of Conditional and Unconditional Foreign Assistance: Grants Versus Loan Rollovers*, IMF Working Paper WP/04/38 (New York: International Monetary Fund, 2004), 17.
 - * 30 Yun Sun, “China's Aid to Africa: Monster or Messiah?”, *Brookings East Asia Commentary* 75, February 2014, <http://www.brookings.edu/research/opinions/2014/02/07-china-aid-to-africa-sun> (accessed October 19, 2016).
 - * 31 Organization for Economic Cooperation and Development, “Tied Aid Credits Definition”, *OECD Glossary of Statistical Terms*, 2013, <https://stats.oecd.org/glossary/detail.asp?ID=3089> (accessed October 19, 2016).
 - * 32 Martin Vieiro, “Chinese (Un)official Development Aid Aid”, *Americas Quarterly* 6, no. 1 (2012): 108.
 - * 33 Charles Wolf Jr., Xiao Wang and Eric Warner, *China's Foreign Aid and Government-Sponsored Investment Activities: Scale, Content, Destinations and Implications* (Santa Monica (CAL): RAND National Defense Research Institute, 2013), 5-7.
 - * 34 Angel Gurría, “China Go Global,” (Remarks to OECD Secretary-General's dinner with the foreign business community, Beijing, 24 March 2014), <http://www.oecd.org/china/china-go-global.htm> (accessed October 19,

- 2016).
- * 35 Chris Alden and Anna Ying Chen, *Chinese Development Co-operation in Africa: The Case of Tembisa's Friendship Town*, China in Africa Project Occasional Paper 30 (Johannesburg: South African Institute of International Affairs, 2009), 9.
 - * 36 Christopher M. Dent, *China and Africa Development Relations* (Routledge: London and New York, 2013), 72.
 - * 37 Merriiden Varrall, "Domestic Actors and Agendas in Chinese Aid Policy", *The Pacific Review*, 29, no. 1 (2016): 21-44.
 - * 38 Gregory Chin and Michael Frolic, *Emerging Donors in International Development Assistance: The China Case* (Ottawa: International Development Research Centre, 2007), 11.
 - * 39 Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2009), 166.
 - * 40 People's Republic of China, "Measures for the Administration of the Funds of the Expenditure Budget for Foreign Aid", in *Laws and Regulations of the People's Republic of China*, ed. Legislative Affairs Office of the State Council (Beijing: China Legal Publishing House 2011), IV-02-01-305.
 - * 41 Axel Dreher *et al.*, *Apples and Dragon Fruits: The Determinants of Aid and Other Forms of State Financing from China to Africa*, AidData Working Paper 15 (Williamsburg (VA): AidData, 2015).
 - * 42 Les Roopnarine, "China: 'Rogue' Donor or Beacon of South-South Co-operation?", *The Guardian*, 2 April 2013, <http://www.theguardian.com/global-development-professionals-network/2013/apr/02/china-aid-africa-development> (accessed October 20, 2016).
 - * 43 Moses Naim, "Rogue Aid", *Foreign Policy*, 15 October 2009, <http://foreignpolicy.com/2009/10/15/rogue-aid/> (accessed October 20, 2016).
 - * 44 Isabel Jane DoCampo, *A Rival to the West? Comparing the Effects of Chinese and World Bank Health Aid on Health Outcomes in Sub-Saharan Africa*, Undergraduate Honors Thesis (Williamsburg (VA): College of William & Mary, 2015), 1-5.
 - * 45 Ngairé Woods, "Whose Aid? Whose Influence?", *op. cit.*, 1212-1213.
 - * 46 May Tan-Mullins, Mohan Giles and Marcus Power, "Redefining 'Aid' in the China-Africa Context", *Development and Change* 41, no. 5 (2010): 864.
 - * 47 Ward Warmerdam, "China and Globalization: International Socialization and Chinese Development Cooperation", in *Chinese Politics and International Relations: Innovation and Invention*, eds. Nicola Horsburgh, Astrid Nordin and Shaun Breslin (London and New York: Routledge, 2014), 44-71.
 - * 48 John F. Copper, *China's Foreign Aid and Investment Diplomacy, Volume I: Nature, Scope, and Origins* (New York: Palgrave MacMillan, 2015), 123-127.
 - * 49 Lowy Institute for International Policy, *Chinese Aid in the Pacific* (Sydney: Lowy Institute for International Policy, 2015) <http://www.lowyinstitute.org/chinese-aid-map/> (accessed October 21, 2016).
 - * 50 Meg Taylor, "China's Growing Impact on the Regional Political Order" (Keynote speech at the International Conference on "China and the Pacific: The View from Oceania", Samoa National University, Apia, February 25-27, 2015), 4.
 - * 51 Nichole Georgeou and Charles Hawksley, "Australian Aid in the Pacific Islands", *Australian Institute of International Affairs - Australian Outlook*, 26 July 2016, http://www.internationalaffairs.org.au/australian_outlook/australian-aid-in-the-pacific-islands/ (accessed October 23, 2016). See also: Dean Cheng, "Countering Chinese Inroads into Micronesia", *The Heritage Foundation*, Issue Brief #4618 on China, 27 October 2016, <http://www.heritage.org/research/reports/2016/10/countering-chinese-inroads-into-micronesia> (accessed October 28, 2016).
 - * 52 Lowy Institute for International Policy, *Australian Foreign Aid*, Issues Paper (Sydney: Lowy Institute for International Policy, 2016), <https://www.lowyinstitute.org/issues/australian-foreign-aid> (accessed October 21,

- 2016).
- * 53 Michael Safi, "China increases its aid contribution to Pacific Island Nations", *The Guardian*, 2 March 2015, <http://www.theguardian.com/world/2015/mar/02/china-increases-aid-contribution-pacific> (accessed October 21, 2016).
 - * 54 *Pacific Islands News Association*, "China boosting aid to South Pacific", 3 March 2015, <http://www.pina.com.fj/?p=pacnews&m=read&o=3151915854f4e0b4538fd2944202e7> (accessed October 21, 2016).
 - * 55 *Radio New Zealand*, "New Tool Shows China's Aid Large and Growing", 4 March 2015 <http://www.radionz.co.nz/international/pacific-news/267598/new-tool-shows-china's-aid-large-and-growing> (accessed October 28, 2016).
 - * 56 Karl Wilson, "Islands of Change", *op. cit.*
 - * 57 Safi, "China increases its aid contribution to Pacific Island nations", *op. cit.*
 - * 58 Philippa Brant as quoted in Safi, "China increases its aid contribution to Pacific Island nations", *op. cit.*
 - * 59 Joanna McCarthy, "China extends its influence in the South Pacific", *ABC News*, 10 September 2016, <http://www.abc.net.au/news/2016-09-10/china-extends-its-influence-in-the-south-pacific/7812922> (accessed, October 25, 2016).
 - * 60 Philippa Brant, "The Geopolitics of Chinese Aid: Mapping Beijing's Funding in the Pacific", *Foreign Affairs*, 4 March 2015, <https://www.foreignaffairs.com/articles/china/2015-03-04/geopolitics-chinese-aid> (accessed October 22, 2015).
 - * 61 Abu Bakarr Kaikai, *Aid Policy and the Politics of Aid: Opportunities and Challenges of the Rise of Chinese Foreign Aid in the Pacific Island Countries*, term paper, (Melbourne: Monash University, 2015).
 - * 62 Manasa Kalouniviti, "Pacific-China trade hits \$15.5b", *Fiji Times*, 3 September 2016, <http://www.fijitimes.com/story.aspx?id=369328> (accessed October 25, 2016).
 - * 63 John Perrottet *et al.*, *Tourism*, Pacific Possible series, (Washington (DC): The World Bank, 2016), iii.
 - * 64 Kate Hannan and Stewart Firth, 'One Belt One Road': *China's Trade and Investment in Pacific Island States*, paper presented at the "ISA Asia-Pacific Conference 2016", City University of Hong Kong, Hong Kong, 25-27 June 2016, 5-10.
 - * 65 Bohua Xie, "Nadi Summit: a New Milestone of China and Pacific Relations", *Vanuatu Daily Post*, 15 November 2014, <http://vu.china-embassy.org/eng/xwdt/t1224788.htm> (accessed October 22, 2016).
 - * 66 Johnny Blades, "Dragon's touch - China's Pacific outreach", *Radio New Zealand International*, 29 March 2015, <http://www.radionz.co.nz/national/programmes/insight/audio/20172666/insight-for-29-march-2015-china-in-the-pacific> (accessed October 28, 2016).
 - * 67 *The Economist*, "China in the Pacific: Big Fish in a Big Pond", 25 March 2015, <http://www.economist.com/news/asia/21647169-chinese-aid-region-expanding-as-its-immigrant-community-big-fish-big-pond> (accessed October 23, 2016).
 - * 68 Matthew Dornan, Denghua Zhang and Philippa Brant, "China Announces More Aid, and Loans, to Pacific Islands Countries", *DevPolicy*, 13 November 2013, <http://devpolicy.org/china-announces-more-aid-and-loans-to-pacific-islands-countries-20131113-2/> (accessed October 23, 2016).
 - * 69 Dawei Liu, "Chinese Vice Premier Meets Foreign Officials from Pacific Island Countries", *Xinhua*, 8 November 2013, http://news.xinhuanet.com/english/photo/2013-11/08/c_132869055.htm (accessed October 23, 2016).
 - * 70 Jinping Xi, "Building Strategic Partnership of Mutual Respect and Common Development and Together Realizing Dream of Development, Prosperity and Harmony", (Keynote speech (official translation), China-Pacific Islands Meeting, Nadi, Fiji, 22 November 2014), http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpxxcxsgjtlrdjcfhdadlyxlfjxxgswbtpyjdgldrhwt1214281.shtml (accessed October 23, 2016).
 - * 71 *Ibid.*

- * 72 Terence Wesley Smith, "China in the Pacific Islands: Impacts and Implications", in *Handbook on China and Developing Countries*, ed. Carla P. Freeman (Cheltenham: Edward Elgar, 2015), 479.
- * 73 Ian Taylor, *The Forum on China-Africa Cooperation (FOCAC)* (Routledge: London and New York, 2011), 1.
- * 74 Kuangyi Yao, "China-Arab States Cooperation Forum in the Last Decade", *Journal of Middle Eastern and Islamic Studies (in Asia)* 8, no. 4 (2014): 26-42.
- * 75 Alison King, *Accountable and Effective Development Cooperation in a Post-2015 Era*, ECOSOC Development Cooperation Forum Policy Brief (New York: United Nations Economic and Social Council, 2014), 3.
- * 76 Yongqiu Wang as quoted in Cassandra Shih and Benedict Xu-Holland, "Why the AIIB Presents an Opportunity for New Zealand", *East Asia Forum*, 21 November 2014, <http://www.eastasiaforum.org/2014/11/21/why-the-aiib-presents-an-opportunity-for-new-zealand/> (accessed October 25, 2016).
- * 77 Tiankai Cui as quoted in *Xinhua*, "China in Pacific for Common Development: Chinese Vice FM", 31 August 2012, http://news.xinhuanet.com/english/china/2012-08/31/c_131820410.htm (accessed October 25, 2016).
- * 78 Shuaihua Cheng, Ting Fang and Hui-Ting Lien, *China's International Aid Policy and Its Implications for Global Governance*, RCCPB Working Paper 29 (Bloomington (IN): Indiana University Research Center for Chinese Politics and Business, 2012).
- * 79 Daojiong Zha, *A View from China: Advancing Security by Addressing Vulnerabilities*, ASPI Research Paper (New York and Washington (DC): Asia Society Policy Institute, 2014), 25.
- * 80 Taidong Zhou, "Engaging China in International Development Cooperation", *The Asia Foundation*, 21 August 2013, <http://asiafoundation.org/2013/08/21/engaging-china-in-international-development-cooperation/> (accessed October 25, 2016).
- * 81 Denghua Zhang, *China-Australia-Papua New Guinea Trilateral Aid Cooperation on Malaria Control*, SSGM In Brief 2015/14 (Canberra: State Society and Governance in Melanesia Program, Australian National University, 2015).
- * 82 Denghua Zhang, *China-United States-Timor-Leste Trilateral Aid Cooperation Project on Agriculture*, SSGM In Brief 2015/10 (Canberra: State Society and Governance in Melanesia Program, Australian National University, 2015).
- * 83 Fergus Hanson, "China: Stumbling through the Pacific?", in *Looking North, Looking South*, ed. Anne Marie Brady (Singapore: World Scientific, 2010), 105.
- * 84 *Pacific Islands Report*, "Pacific 'Savvy' at Securing Flexible Chinese Aid: Academic", 27 February 2015, <http://www.pireport.org/articles/2015/02/27/pacific-%C3%A2%C2%80%C2%98savvy%C3%A2%C2%80%C2%99-securing-flexible-chinese-aid-academic> (accessed October 25, 2016).
- * 85 *Xinhua*, "China Offers More to Fiji", 29 April 2014, <http://www.globaltimes.cn/content/857414.shtml> (accessed October 25, 2016).
- * 86 *Xinhua*, "China, Pacific Island Countries Announce Strategic Partnership", 22 November 2014, http://news.xinhuanet.com/english/china/2014-11/22/c_133807415.htm (accessed October 25, 2016).
- * 87 *Deutsche Welle*, "China has become a 'major donor' in the Pacific Islands region", 3 March 2015, <http://www.dw.com/en/china-has-become-a-major-donor-in-the-pacific-islands-region/a-18290737> (accessed October 25, 2016).
- * 88 Darryn Webb, *China's South Pacific Expansion and the Changing Regional Order: A cause for concern to the regional status quo?* (Canberra: Australian Defence College, The Centre for Defence and Strategic Studies, Indo-Pacific Strategic Papers, 2015), 6-7.
- * 89 Fabrizio Bozzato and Kao-cheng Wang, "China in the Pacific Islands: Beyond the 'Bad Dragon' Narrative", in *Strategic Regions in 21st Century Power Politics: Zones of Consensus and Zones of Conflict*, eds. Martin Riegl, Jakub Landovský and Irina Valko (Newcastle-upon-Tyne (UK): Cambridge Scholars, 2014), 125.
- * 90 Yongjin Zhang, "China and the Emerging Regional Order in the South Pacific", *Australian Journal of*

International Affairs 61, no. 3 (2007): 368.

- * 91 Fabrizio Bozzato, "When the Strait is an Ocean: China and Taiwan's Pacific Island Crossing", *Journal of Pacific History*, forthcoming (2017).
- * 92 Michael Powles, "China Looks to the Pacific", in *Chinese in the Pacific: Where to Now?*, ed. Paul D'Arcy, CSCSD Occasional Paper 1 (Canberra: Centre for the Study of the Chinese Southern Diaspora, Research School of Pacific and Asian Studies, The Australian National University, 2007), 43-44.
- * 93 Aaron Mehta, "Carter: China 'Out of Step' with Pacific", *Defense News*, 30 May 2015, <http://www.defensenews.com/story/defense/policy-budget/budget/2015/05/29/carter-china-out-of-step-pacific-islands-sovereign-reclamation-shangri-la/28146053/> (accessed October 26, 2016).
- * 94 Wendell Minnick, "Analysis: Annual China Report Shows Growing Threat", *Defense News*, 7 May 2013, <http://archive.defensenews.com/article/20130507/DEFREG03/305070035/Analysis-Annual-China-Report-Shows-Growing-Threat> (accessed October 26, 2016).
- * 95 Marc Lanteigne, "China, the West and 'Soft Balancing' in the South Pacific", *The China Story*, 16 March 2013, <http://www.thechinastory.org/2013/03/china-the-west-and-soft-balancing-in-the-south-pacific/> (accessed October 26, 2016).
- * 96 Matt Stansfield, "Containing China? The United States in the South Pacific Since 2011", *E-International Relations*, 25 February 2015, <http://www.e-ir.info/2015/02/25/containing-china-the-united-states-in-the-south-pacific-since-2011/comment-page-2/> (accessed October 28, 2016).
- * 97 Jenny Hayward-Jones, "China in the Pacific Islands: A Reality Check", *New Zealand International Review* 38, no. 5 (2013): 8-12.
- * 98 Jian Yang, "China in the South Pacific: A Strategic Threat?", *New Zealand International Review* 34, no. 1 (2009): 1.
- * 99 Anne-Marie Brady, "China Matters in the South Pacific", *The China Story*, 27 February 2015, <https://www.thechinastory.org/2015/02/china-matters-in-the-south-pacific/> (accessed October 26, 2016).
- * 100 Teence Wesley-Smith as quoted in *Guam U.S. Asia Security Alliance*, "China Aid to Pacific Island Nations", 8 March 2015, <http://guasalliance.blogspot.tw/2015/03/china-aid-to-pacific-island-nations.html> (accessed October 26, 2016).
- * 101 Gary Locke, "Ambassador Locke's Remarks at Caijing Annual Conference", presentation (Caijing Annual Conference, Beijing, November 18, 2013), <http://beijing.usembassy-china.org.cn/20131118ambassador-locke-remarks-at-caijing-annual-conference.html> (accessed October 26, 2016).
- * 102 Fergus Hanson, "China: Stumbling through the Pacific?", in *Looking North, Looking South*, ed. Brady, *op. cit.*, 104-107.
- * 103 Catherine Wilson, "Pacific Nations Need Help Away from Aid", *Inter Press Service*, 19 January 2014, <http://www.ipsnews.net/2014/01/pacific-nations-need-help-away-aid/> (accessed October 27, 2016).
- * 104 Nicholas Anda, "Is China Good or Bad for the Pacific?", *Geopolitical Grapplings*, 18 August 2015, <https://nicholasanda.wordpress.com/2015/08/18/is-china-good-or-bad-for-the-pacific/> (accessed October 27, 2016).
- * 105 *Pacific Islands News Association*, "China's failure to provide loan details in Pacific highlighted", 25 February 2015, <http://www.pina.com.fj/?p=pacnews&m=read&o=165184943954ee8668600790713b54> (accessed October 30, 2016).
- * 106 Jian Zhang, "China's Role in the Pacific Islands Region", in *Regionalism, Security & Cooperation in Oceania*, eds. Rouben Azizian and Carleton Cramer (Honolulu: Daniel K. Inouye Asia-Pacific Center for Security Studies, 2015), 43.