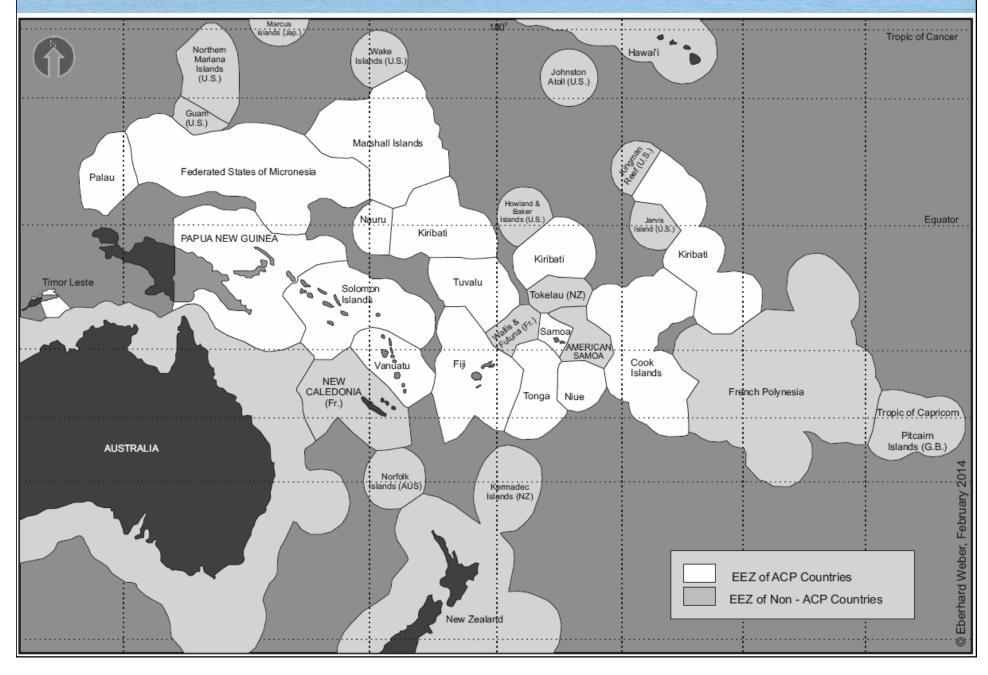
Looking for new Friends

Sustainable South-South Cooperation or

Temporary necessity in Fiji's international relations after the coup of December 2006

Eberhard Weber The University of the South Pacific, Fiji Islands

Pacific Islands



The Coup of December 2006





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The narrative

- As a result of Fiji's <u>international isolation</u> after the coup of December 2006 and the abrogation of the constitution in April 2009 <u>China</u> used opportunities to stronger engage in Fiji.
- This was done through providing development assistance when <u>Fiji's old friends</u> became hesitant to support the military (supported) government.
- As a result the PRC gained stronger influence in the Pacific Island region to the <u>disadvantage</u> of traditional powers and the Pacific Island countries.
- With democratic elections in September 2014 the situation was expected to return "back to normal"

l argue:

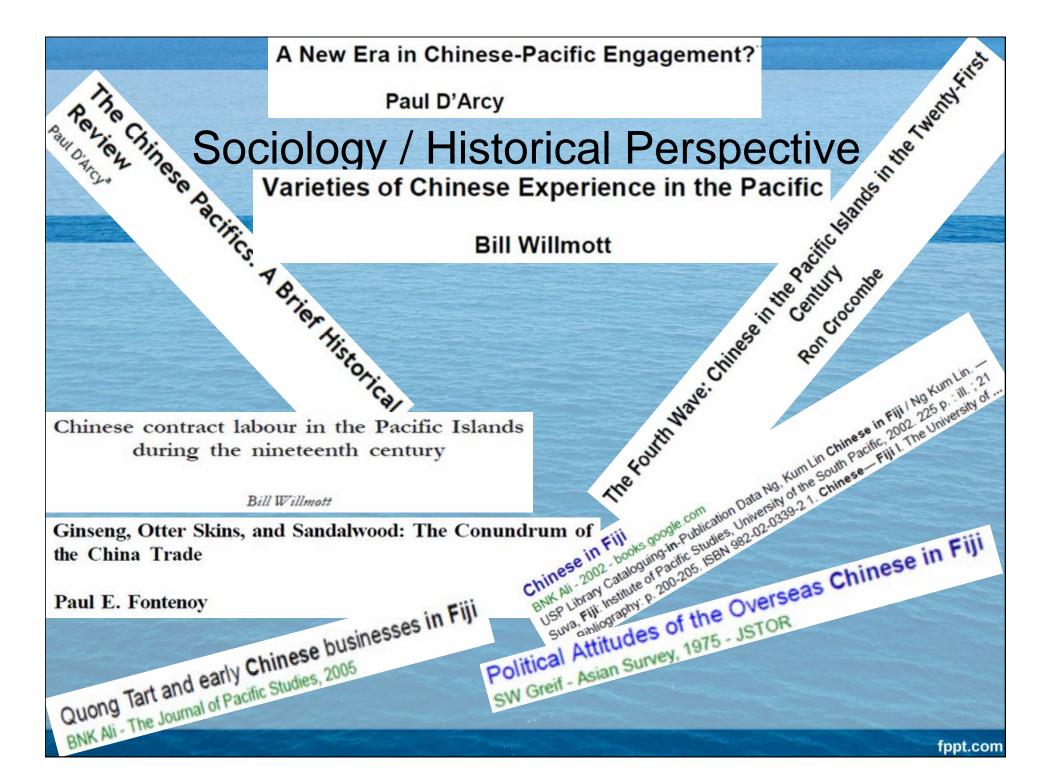
The narrative is wrong

- "Looking North" actually is looking everywhere.
- It is not China who takes advantage of Fiji's international isolation, but it is Fiji's (successful) attempt to "politically diversify".
- This attempt started before the 2006 coup under the Qarase Government which later was replaced by the coup.

The bigger Context

It is impossible to see Fiji – Chinese relationship independent of

- Changes in Western political and strategic interests in the Pacific Island region
- Changes in Chinese policies and strategies that include Pacific Islands
- Policies and interests of Pacific Island governments making use of their <u>agency</u>.
- Australia did not isolate Fiji, but in the long term the Fiji Government has isolated Australia in its stand against Fiji.



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By Philippa Brant

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SIGNIFICANCE OF OCEANIA

John Henderson'

Decline of Western Influence

Since the end of the Cold War

- US Pacific Feet reduced by half
- USA closed embassies in Solomon Islands and Samoa
- Closed USAID offices in Fiji and PNG
- Cut back on scholarships
- British High Commission in Vanuatu closed 2005
- British High Commission in Tonga closed 2006
- Cut back on scholarships

Motivation for Chinese Support

- Until 2008: competition with Taiwan for political recognition; support from PICs
- Pacific Islands governments enhanced competition between PRC and ROC to maximize their benefit, at times approaching both countries at the same time.



Rivalry China Taiwan



Cook Islands (1997-)*

Federated States of Micronesia (1989)

Fiji (1975-)

Niue* (2007-)

Papua New Guinea (1976-, 1999 PNG briefly recognized Taiwan; in 2008 Taiwan spent

US\$19 m to gain PNG recognition)

Samoa (1975-)

Tonga (1998-)

Vanuatu (1982-; briefly recognized Taiwan in

2004)

Kiribati (2003-)

Marshall Islands (1998-)

Nauru (1980-2002, 2005-)

Palau (1999-)

Solomon Islands (1983-)

Tuvalu (1979-; 2006 concerns that

Tuvalu could recognize PRC)

Kiribati (1980 – 2003) **Marshall Islands** (1990 – 1998) Fiji (1971 – 1975) Samoa (1972 – 1975) Tonga (1972 – 1998)

- After 2008 Chinese aid follows economic / commercial interests "from below" especially in construction sector.
- Even today Chinese aid is often portrayed as irresponsible and exploitative, allowing Pacific governments to avoid necessary reforms.
- Closely connected to Australia's security discourse concerning Pacific Islands after 9/11 and Bali Bombings (2002; 2005).
- Pacific Island leaders' agency cannot be discounted. It creates the impression that China's political influence in the Pacific Islands has increased considerably, but indeed there are many Davids who successfully fight a few Goliaths.

The rational and "conditions" of support from the PRC

- Between 2004 2009 China's global aid budget increased by some 30 percent annually.
- China displays itself as "developing country" and sees its aid as the fulfilment of its international resposibility "to help recipient countries to strengthen their self-development capacity, enrich and improve their peoples' livelihood, and promote their economic growth and social progress".

The rational and "conditions" of support from the PRC

- China considers aid as an instrument of "South-South Cooperation" of a country with a shared history of (negative) experience with imperial powers.
- "China stands ready to provide assistance without any political string attached" (Premier Wen 2006 at China-PIC Forum).
- No <u>political</u> conditionality rather than no conditionality at all.

The rational and "conditions" of support from the PRC

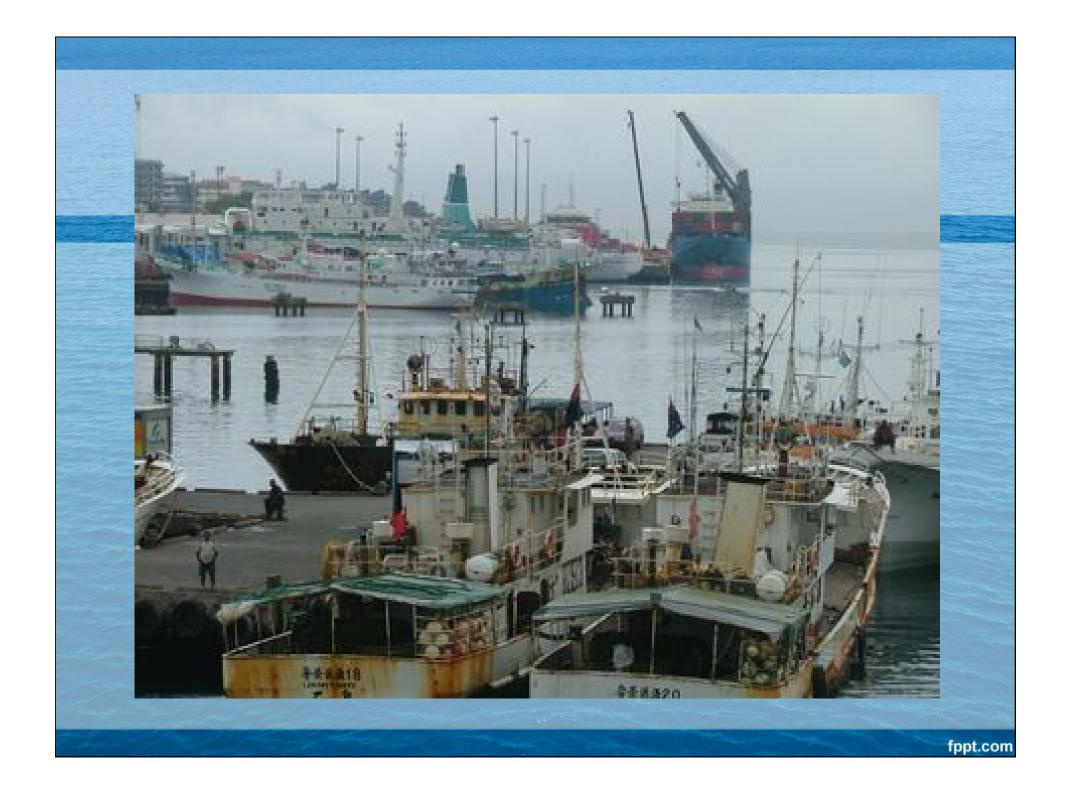
Conditionalities:

- Aid and concessional loans only to countries that do not recognize ROC as independent state
- Contractor must be a Chinese Company approved by the Chinese Government
- At least 50 percent of materials must be procured from China.
- Often labourers are brought in from China

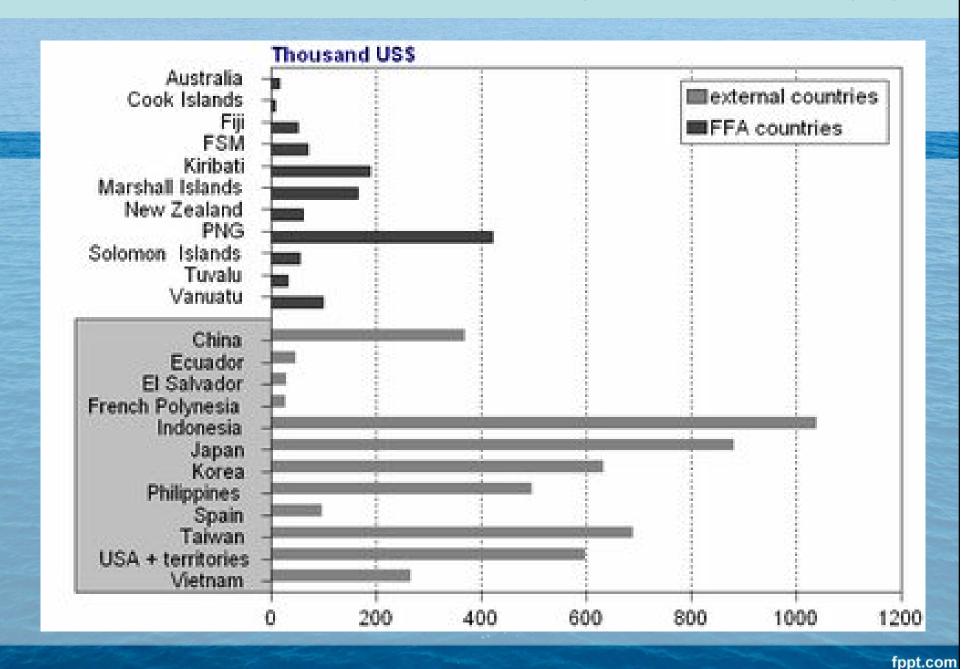
Motives beyond political recognition

Economic Interests

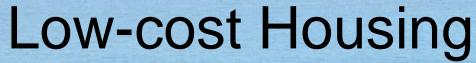
- Tuna Fisheries
- Garments
- (Deep Sea) Mining
- Construction (Housing / Roads)

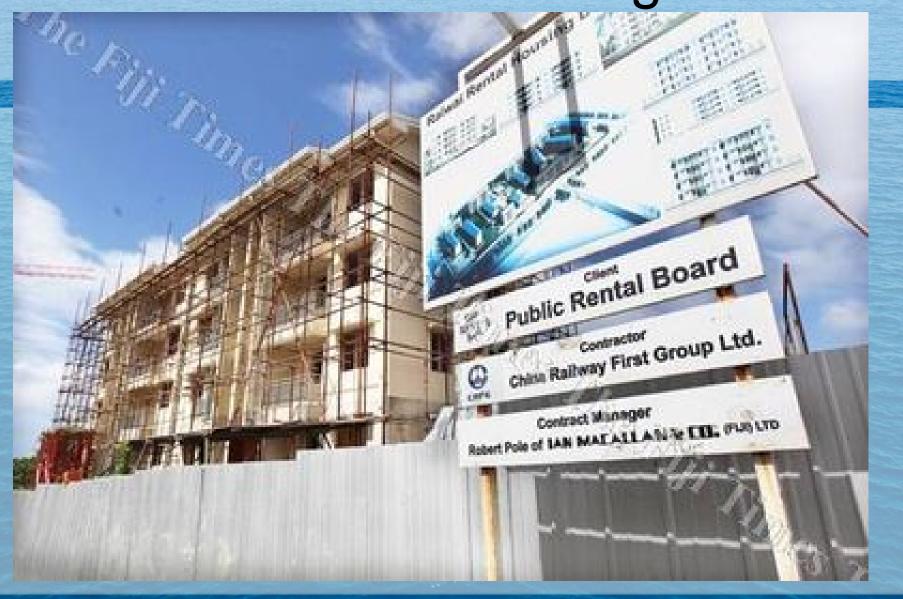


Tuna catch in the Western and Central Pacific 2013











November 2014: China-Pacific Islands Countries (PIC) Leaders meeting with Chinese President Xi Jinping in Nadi





Against the Narrative

- In May 2009 Fiji was expelled from the Pacific Island Forum (PIF)
- In 2013 Fiji hosted the Pacific Islands Development Forum (PIDF) a challenge to the PIF and established in response to Fiji's exclusion from the Forum.
- In October 2014 Prime Minister Bainimarama announced that Fiji has set conditions for its return to the Pacific Islands Forum (PIF) after he had received a letter from PIF leaders that Fiji's suspension had been lifted.

Against the Narrative

 "Fiji is not going back to PIF till some changes and reforms are made in the organisation; for example Australia and New Zealand to move out of PIF," Australia and New Zealand should become development partners like nations such as Japan, China and Korea.

Thank you very much



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Official Development Assistance (ODA)

HD rank	Country	Population	ODA total 2010-2013 annual avg US\$ Mill.	ODA per capita 2010-2013 annual avg US\$
187	Niger	17,831,270	764	43
186	Congo (DR)	67,513,677	3587	53
185	Central African Republic	4,616,417	235	51
184	Chad	12,825,314	454	35
183	Sierra Leone	6.092.075	447	73
182	Eritrea	6,333,135	127	20
181	Burkina Faso	16,934,839	1058	62
180	Burundi	10,162,532	567	56
179	Guinea	11,745,189	316	27
178	Mozambique	25,833,752	2107	82
1.00	mozamorque	20,000,02	2107	UZ
n.a.	Cook Island	20.629	20	970
88	Fil	881,065	91	103
133	Kiribati	102,351	56	547
n.a.	Marshall Islands	52.634	88	1,672
124	Micronesia, Fed. States	103.549	132	1.275
n.a.	Nauru	10,051	34	3,383
n.a.	Niue	1.344	19	14,137
60	Palau	20,918	28	1,339
157	Papua New Guinea	7,321,262	634	87
106	Samoa	190.372	125	657
158	Solomon Islands	561,231	332	592
n.a.	Tokelau	1.195	20	16,736
100	Tonga	105,323	83	788
n.a.	Tuvalu	9,876	27	2,734
131	Vanuatu	252,763	103	407
n,a	Wallis and Futuna	13.272	118	8,891
	http://www.worldometers. http://www.oecd.org/dac/- Information on Chinese A Information on HD ranking	stats/aid-at-a-g ir: Lowy Institut	lance.htm te for Internation	al Policy

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Figure 2: Traditional and non-traditional development assistance, Fiji, 2000-2012

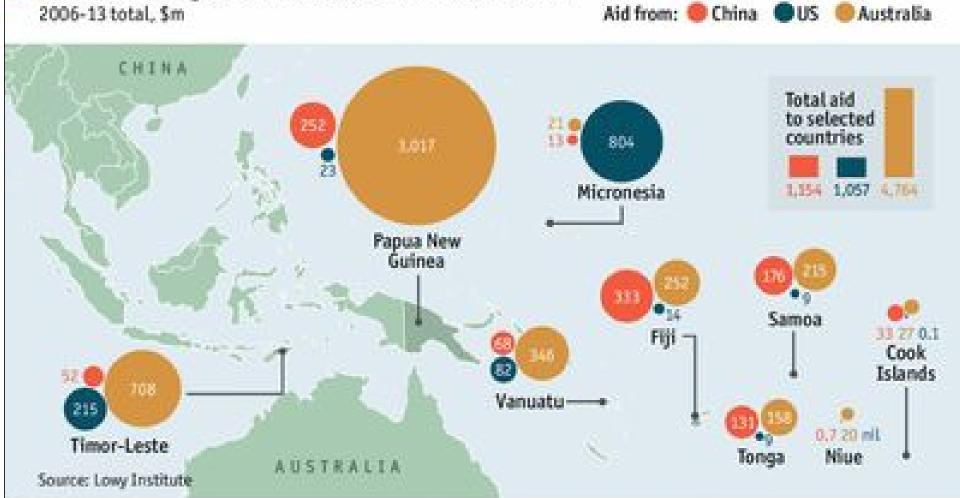


Source: Ministry of Finance, Fiji (2011); OECD (2014); http://www.foreignaffairs.gov.fj/trade-policy/international-cooperation/oda-trend; www.theglobalfund.org/en/; http://foundationcenter.org.

www.pmoffice.gov.fj. aiddata.org:

Australia, USA and China "ODA"

Bilateral foreign aid to selected Pacific countries



Milesstones of Pacific Island - PRC relationship

- Since 1988 Intensification with South Pacific Forum (later Pacific Islands Forum Secretariat)
- 2003: China joins the South Pacific Tourism Organization (SPTO). Donates \$100,000 to SPTO and thus becomes single largest paying member. China gives Approved Destination Status (ADS) to Cook Islands, Fiji, Tonga and Vanuatu.
- April 2006: 1st China-Pacific Islands Countries Economic Development and Cooperation Forum

 US\$ 516.5m
- November 2013: 2nd China-Pacific Islands Countries Economic Development and Cooperation Forum US\$ 1 b soft loans
- November 2014: China-Pacific Islands Countries (PIC) Leaders meeting with Chinese President Xi Jinping in Nadi

Milesstones of Pacific Island - PRC relationship

November 2013: 2nd China-Pacific Islands Countries Economic Development and Cooperation Forum US\$ 1 b soft loans

In addition

Zero-tariff treatment for 95% of exports from least developed countries 2,000 scholarships for Pacific students over four years.

Commitment to negotiate bilateral civil aviation agreements and encourage direct flights.

Provision of medical facilities, including medical teams, equipment and medicine. China will share malaria-prevention experience and technology with Pacific countries.

Promotion of bilateral agricultural trade and investment through agricultural demonstration farms.

China will provide low-carbon products to the Pacific including solar lamp bulbs, energy-efficient home appliances, and hydropower and biogas facilities. It will also develop extreme-weather early warning and ocean environment monitoring systems.

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