The Geopolitics of Pacific Islands' Regionalism: From Strategic Denial to the Pacific Plan[#]

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Introduction

It is scarcely surprising that the geo-politics of the Pacific Islands have been dominated since World War II not by the perceptions of the Islanders about their relations with each other but by outsiders' regard for the Islands.[1] It has been the case that the Islands have not used their geography politically so much as they have been abused by it for centuries. The people of the Pacific Islands rarely have had the opportunity to shape their own destiny. Instead, outside actors have pursued their geo-political interests at the expense of the Islands. However, the more recent decades have witnessed a decided shift toward a greater saliency for far more extra-regional states than at any time in the past. Technology and significant political changes in the international system explain much of the altered geo-political interest in the Islands but not all of it. The Islands themselves have contributed to this evolving perspective.

This paper seeks to demonstrate how changing geo-political interests have shaped security perspectives of the myriad islands of the Central and Southwest Pacific Ocean. In particular, it will be argued that there is

[#] This is a revised version of a research paper delivered at the CIRA 'Diplomatic Skills Training Course' in Suva in November 2006.

[1] The term 'Islands' in this paper refers to the entire geographic region defined by the ambit of the Pacific Community (formerly known as the South Pacific Commission). 'Pacific Islands' and 'the South Pacific' are used as synonyms for the same area. The phrase 'Pacific Islands Country/ies' (PIC) refers all states and territories within this area while the phrase 'Forum Islands Country/ies' (FIC) refers to the sub-set of this region composed of one or all of the 14 island members of the Pacific Islands Forum excluding Australia and New Zealand. These comprise: the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu.

an on-going tension between the desire of some external powers to treat the Islands as a collectivity and others that find their advantage in division. For the numerous microstates of the region, this tension has been equally real albeit often less overtly recognised as a foreign policy choice. The Pacific Islands are rich in mechanisms to enable them to pursue collective avenues for redressing their geo-political imbalance with the rest of the world. However, these are not always well exploited by the Islands. Indeed, the aspirations for a more coherent regional approach such as the current 'Pacific Plan' seem unlikely to significantly alter the geo-political imbalance despite the best efforts of its proponents.

The Pacific Islands Region

The Pacific Islands regional brand is almost universally recognisable regardless of whether marketed under other such names as the 'South Seas' or the 'South Pacific'. The image these terms convey, at least to outsiders, a uniformity that belies the reality. The islands of the Pacific vary significantly in many critical respects of their geography and social systems. The physical features of these islands range across a large array of landforms. These include the low-lying atolls with vast central lagoons such as those typical of Polynesia and Micronesia. Nauru and Niue are raised atolls with no lagoons. There are high islands of volcanic origin in Polynesia and Melanesia and continental islands in Melanesia including Papua New Guinea with its glaciated mountains. While most occur in archipelagos, there are three - Guam, Nauru and Niue - which are not grouped together politically with other islands. Socially, the many thousands of islands in this region are grouped into three broad ethno-geographic areas - Melanesia, Micronesia and Polynesia. There are significant differences even within each of these three general groupings, however. Politically, the region is fractured today amongst 22 entities whose contemporary boundaries were drawn sometimes by tradition but more often by colonial ambition.

As a result of its insularity and the machinations of the colonial powers, the Pacific Islands region is the largest concentration of microstates in the world. The division of this region of approximately seven million people amongst 22 polities has ensured that the majority of political units are very small by world standards.[2] Only Papua New Guinea

[2] These figures from Secretariat of the Pacific Community, *2005 Pocket Statistical Summary*, Noumea, New Caledonia, accessed at:
http://www.spc.int/prism/publications/SPS_Final.pdf

with over 5.6 million and Fiji with 836,000 exceed the microstate threshold of half a million population. The Solomon Islands (460 000), Vanuatu (215,000) and Samoa (182,000) are the largest of the independent microstates while Nauru (10,100) Tuvalu (9,600) and Niue (1,600) are the smallest. French Polynesia (250,500) and New Caledonia (237,300) are the largest of the non-self-governing territories with American Samoa (62,600) and Pitcairn (52) the smallest. Some such as Nauru, Niue, Samoa, and Tonga had a strong sense of nationality before the advent of European contact. Others, such as the Federated States of Micronesia, Papua New Guinea, and the Solomon Islands, had no real commonality before colonial administration and so have had to pursue 'nation-building' as well as economic development after independence. All of the Pacific Islands, except the Kingdom of Tonga, entered colonial administration at some point before World War I. About two-thirds (that is, 14 of the 22) have reached their 'final political status' - either full independence or self-government in free association with the former colonial power. The remaining eight territories, mainly American (American Samoa, Guam and Northern Marianas Islands) and French (French Polynesia, New Caledonia, and Wallis and Futuna), are attached politically to a parent country, although their precise administrative standing is contested in some cases.

The Geo-Politics from Decolonisation to Strategic Denial

The geo-politics of the contemporary Pacific Islands were substantially affected by the WW II. The Pacific War consolidated colonial control of the Islands in the hands of six allied Western states.[3] This fact alone created security as far as the major powers were concerned especially with regard to their own territories. Nevertheless, Australia, concerned that Japan had used the Islands as stepping-stones to attack Australia, wanted more. Both Australia and New Zealand acted to shape the course of post-war security in the Pacific with the Australia-New Zealand Agreement (ANZAC Pact) in January 1944. At the Pact's core were two proposals to institutionalise regional arrangements. One of these became the development orientated South Pacific Commission (SPC), which paved the way for the modern regional system. However, there was no support for the regional security arrangement envisioned in the ANZAC Pact. This took a less inclusive turn after a conservative Government returned to power in Australia in 1949. The outbreak of the Cold War and

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[3] Australia, France, Netherlands, New Zealand, the UK and the US.

an American desire to persuade Australia to accept a soft peace with Japan did produce a regional security pact of sorts through the Australia, New Zealand United States Treaty (ANZUS) in 1951. The regional focus of the ANZUS pact delivered on Australia's security concerns with the Pacific Islands region. Article 5 of ANZUS deemed an attack on any of the three governments' island territories in the Pacific an attack on all.

The effect of these post-war developments was to move the Islands very much to the periphery, in terms of their relevance for global security. They were not regarded as a menace to each other nor could they be used to threaten any significant extra-regional interests. The geo-politics of Western hegemony, minimal resources of any strategic value and remoteness from the centres of global power left the Islands with little to destabilise their tranquillity throughout the 1950s and 1960s. This is not to say that there were no straws in the wind, as it were. The Americans and British used the combination of colonial control and the region's isolation as a strategic resource to test nuclear weapons especially in the late 1940s and 1950s. When France began its nuclear testing program in the mid 1960s, however, the regional circumstances had begun to change. Decolonisation allowed some in the region to resist the French program in the way they could not the American and British tests. Independence started in 1962 with Western Samoa (now Samoa) and slowly picked up velocity in the later years of the decade. And, as the 'winds of change' began to accelerate, the international community invented a new strategic resource for the Islands – the vast stretches of ocean separating them.

The 1973 inauguration of the United Nations' Third Conference on the Law of the Sea (UNCLOS III) profoundly affected the geo-political consequences of decolonisation for the Pacific Islands. Ultimately it created vastly expanded national jurisdictions and adjoining international boundaries for the Islands. It says something about the very close relations between the Islands and their Western metropolitan powers, however, that these strategic possibilities were only lightly canvassed at the time. Their geo-political significance only came into prominence late in the Cold War and even more since its collapse. More important seemed to be the maintenance of the Islands pro-West alignment. In retrospect, these Cold War concerns appear exaggerated since there had never been any significant historical or cultural ties between Russia (or the USSR) with the region. There were no substantial economic ties nor was there any real radicalisation of independence movements that might have offered the USSR a basis for ideological advantage except for relatively minor contretemps (by world standards) in Vanuatu and New Caledonia. Nevertheless the geo-politics of the 15 years from the mid-1970s through to the

end of the Cold War were largely viewed through the prism of West versus East.

The difficulty for the Western powers was that by the mid 1970s it was clear that there would be a fairly large number of exceptionally small and/or fragile states in the Pacific Islands region. Concerns were raised initially when Tonga established relations with the USSR in 1976. This event brought home to Western sponsors of the region what independence had wrought in the geo-politics of the Pacific Islands. In particular, the attention of the ANZUS allies became focused on the limited national capacity of the Islands. Three enduring features of the small scale insularity that beset all the region's states (with possible exceptions of Fiji and Papua New Guinea) were identified as genuine impediments to state capacity in the microstates. These were:

1) the diseconomies of scale;
2) high levels of vulnerability; and
3) the extreme asymmetry of external relations.

The small populations and dispersed geography of most countries not only prevent the achievement of economies of scale they actually impose diseconomies on these states in seeking to meet the normal claims of the citizens for goods and services. If these diseconomies are not absorbed by the state, medical services, education, sanitation and the like could not be provided at the levels expected elsewhere. Similarly the same geographic and demographic factors make the South Pacific polities vulnerable to natural and man-made disasters to a magnitude scarcely measurable on the scale of most other countries. A single cyclone has caused damage worth more than 100% of the GDP in even a relatively large microstate like Samoa and inflicted worse on the smaller ones. Such disasters can stretch the national resilience of the PICs to a level that only external assistance enables the state to cope. This level of vulnerability is not an inherent characteristic of larger states. Smallness is also a political fact of life for most countries of the region. All their external relationships will be with states that are larger, more powerful and better resourced than they. The effective autonomy of action of states subject to the disparities of power in such unequal relationships are matters of concern to other parties as well as to the small states themselves.

The Western response to a realisation of the Islands' political vulnerability was to generalise a threat to the Western alliance broadly and to ANZUS security interests specifically. The ANZUS powers did recognise elements of the UNCLOS III developments in their recalculation of the new geo-politics of the Pacific Islands but the threat to the sea-lanes was

not based primarily on the expanded marine zones but on the possibility that the USSR might secure land bases to support its maritime and intelligence activities. Given the absence of a USSR presence in the region and the limited indigenous support for communism, the three ANZUS Governments pursued an approach that came to be labelled 'strategic denial' and was recognised as a regional addition to the American global policy of containment of the USSR (Herr, 1986). Regionalism was a key element of strategic denial. This derived from a logic that it would only take one 'Cuba' to compromise Western strategic interests, therefore, the best tactic would be to discourage aberrant behaviour amongst the PICs. Regionalism seemed to offer a soft way to discourage any risky adventurous behaviour by individual PICs that might aid the USSR.

The changes to the Law of the Sea did get the USSR its access to the region but only in the final days of the Cold War. First Kiribati (in 1985) and then Vanuatu (in 1987) concluded one-year fisheries access agreements with Moscow. These agreements were short lived and proved more symbolic than substantive in their effects. However, these breaches in strategic denial in the later years of the Cold War did open more pragmatic options for the PICs in their external relations. The absence of a perceived common external threat, the re-evaluation of international priorities, the collecting of the post-Cold War peace dividend and similar developments released the extra-regional pressures on the Islands to pursue their own interests as they saw them. Moreover, some of these post-Cold War changes encouraged more entrepreneurial approaches by the PICs in statecraft as previous aid levels fuelled by the ideological rivalry fell away.

The Post-Cold War Geo-Politics

Almost immediately, the post-Cold War order imposed a very heavy burden on the PICs and their capacity to meet changing international expectations of them *qua* states. The baggage of their own history is an inescapable burden for the microstates of the Pacific just as it has been for states of any size elsewhere. Rather unusually, however, the influence of this history proved to be something of a problem for the PICs perhaps in having been too gentle. The relatively benign and supportive experience that most of the region had with decolonisation has meant many of the demands made of states elsewhere were moderated in the Pacific Islands region. There have been generally relaxed relations with former governing powers and a blurring of traditional distinctions between sovereign and non-sovereign polities. Throughout the 1990s, there was an inexora-

ble retreat of major powers from engagement with the region. The US, USSR and the UK all reduced their involvement and this peripheral region moved once again further toward the outer fringe of global security concerns.

Two related sets of events nudged the Islands away from this outward spiral toward geo-political irrelevance. The first set was the terrorist attacks on the United States on 11 September 2001 and the second were those perpetrated on Bali in October 2002. The tragic events of 9/11 convinced the international community that there were genuine security risks inherent in 'failed' or 'failing' states. Bali elevated these concerns to a regional issue in the Pacific Islands, at least from an Australian perspective. Once again the constraints on the PICs state capacity raised threat perceptions for states outside the region. Indeed, the threat might only be to extra-regional states. Analysts found it difficult to see where terrorism might strike the Islands for any reason other than as secondary to attacking Western interests as occurred on Bali.[4] This was the view of the 32nd South Pacific Chiefs of Police Conference (made up of 21 South Pacific participating countries) meeting in November 2003. The Conference identified a range of opportunities that terrorists might try to exploit in the region. Direct threats to the regional states appeared less likely than money laundering and identity fraud, as part of a concern that terrorists attempt to use smaller Pacific Island nations as staging posts for attacks against their Western neighbours (Forbes, 2003).

In reaction to the perception that fragile states in the Pacific Islands region constituted a potential risk to Australia as a base for terrorism, Australia has become much more proactive about the heightened geo-political relevance of the Islands for the so called 'global war on terror'. While much of the amplified anxiety has been expressed through bilateral mechanisms, regionalism has found new support in both Australia and New Zealand. Their reasons may be somewhat different but both Australia and New Zealand see a more coherent and cohesive regional system as helping to stabilise individual states while promoting an adherence to broader policies enhancing international order. A proposal called the 'Pacific Plan' was devised by the Pacific Islands leaders and endorsed at Auckland in April 2004. *Inter alia*, the Pacific Plan 'called for the serious challenges facing the countries of the Pacific to be met through sharing

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[4] This is the scenario highlighted by Helen Clark, New Zealand Prime Minister and Chair of the Pacific Islands Forum, as the only realistic direct threat. Accessed at: http://www.forumsec.org.fj/news/2004/May/May_06.htm

scarce resources and aligning policies to strengthen national capacities to support their people.'

The Plan is described as a living document and, therefore, subject to change and refinement as the FICs see necessary. Its content therefore cannot be discerned at this early stage nor whether it will succeed in the longer term. However, there are grounds for believing the path will not be as easy as its proponents hope. Its success with regard to meeting the expressed security concerns very much depends on how well the FICs respond to the regional 'whip'. The basis for grand expectations on this account must be regarded as limited at least on recent experience. A few recent examples will illustrate the difficulties facing the Pacific Plan and its prospects.

The Influence of Asymmetrical Power

The on-going intervention in Iraq finds a surprising number of Pacific Islands' countries drawn into a fierce conflict nearly half a world removed.[5] The countries and territories associated with the United States are the principal group of PICs engaged in Iraq. These territories include American Samoa, the Commonwealth of the Northern Marianas and Guam who have had their people involved either through enlistment in the American Armed Forces, having their own military reserve units called up, and/or having police personnel deployed to Iraq. The close political ties to the US make it impossible for these small communities to resist the call up of reservists or the deployment of police despite the significant impacts these have had on local manpower needs.[6] Further, three micro-states, formerly part of a UN Trust arrangement and now in free-association with the US - the Federated States of Micronesia (FSM), the Marshall Islands and Palau - have long been fertile recruiting grounds for the American armed forces. Undoubtedly, like the US territories, it is probable that they too have some of their own citizens serving in the US armed forces in Iraq. Notwithstanding a lack of a military capacity of their own, the three microstates were listed amongst the 'coalition of the willing' by Washington to pad out the list of the war's supporters.

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[5] This theme is more developed in a recent paper by Herr (2005).
[6] Generally, the US Pacific territories have had a higher than national average rate of enlistment in the US defence forces and, in the case of the freely associated states, enlistment can assist in the acquisition of US citizenship and immigration to the mainland US.

Overall, eight of the 22 PICs have found themselves embroiled in a remote, extra-regional war not because their interests were directly involved but because Washington wanted it. The entire six American associated countries and territories in the region (three of which are FICs) have been either engaged directly through deploying personnel or by being listed in the coalition. In contrast, there is no evidence that either of the other two major regional powers involved in the coalition of the willing - Australia and Britain - attempted to influence the states within their spheres of influence in the region to join up to the coalition. Rather, it was the US, not Britain, that sought to induce Tonga and Fiji (both with historic ties to the UK) to become engaged in Iraq. In the case of Fiji, Australia did assist Fiji to participate through the UN but not through a contribution to the 'coalition of the willing'. The relationship between the war in Iraq and the 'global war on terror' may be dubious but, to the extent that the US and its allies believe a connection exists, its effects in the Pacific Islands region have differed markedly. The Australian Government is committed to participating in the 'global war on terror' and it firmly believes that there is a regional aspect to this global conflict. However, it has not followed the American line of drawing all and sundry, including its regional partners, into prosecuting this war extra-regionally.

'Failed States' as a Security Risk

After 9/11, the conservative John Howard Government in Australia joined the Bush Administration in becoming much more wary of the risks to external security posed by weak states. This perspective made their way into the Pacific primarily via academic think tanks. For example, Hugh White, then director of the Australian Strategic Policy Institute, asserted in late 2002 that the Pacific Island states of Papua New Guinea, the Solomon Islands and Vanuatu posed risks for Australian security (SBS, 2002). White did not use the phrase 'failed states' on this occasion to describe why these particular states posed an under-appreciated threat but his rationale was not too far removed from the more general analysis given by the British Prime Minister, Tony Blair, some weeks earlier when Blair did refer to 'failed nations'.[7] Failed and failing states, according to Blair, posed a threat to the international community basically because

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[7] Several months earlier on 19 July 2002, however, White did use the term 'failed state' in discussing the Solomons in an interview with the ABC's Graeme Dobell. See: http://www.abc.net.au/pm/s611905.htm.

they created the basis for instability in international order.[8] While neither Blair nor White asserted that failed states required a specific form of intervention, both argued that such states require some form of careful monitoring, and possibly intervention, by other states lest the contagion of 'failure' emerge as threats to neighbouring states.

This interpretation on the need for armed intervention in 'failed states' could not be applied in the South Pacific as easily as elsewhere, however. The small and vulnerable states of the region could scarcely pose the same level of risk to the global community that a Somalia or an Afghanistan could and, clearly, the Australian Government did not make this connection easily at a policy level. The first and most significant reason is that the nearly universal condition of being microstates could be seen as condemning virtually all the PICs to being 'failed states', at least by one definition of this term. Gerald Helman and Steven Ratner described the 'failed state' as one 'utterly incapable of sustaining itself as a member of the international community' (Helman and Ratner, 1992). How precisely one is to assess 'utterly' may be open to question but their definition draws attention to a fundamental need for states to be self-sustaining. The category of 'microstate' implies a status that is substantially dependent on the support of a favourable international climate to help maintain the existence of such states. When that climate changes, as it has since the end of the Cold War, the earlier international guarantees of their survival may be called into question. The difficulties that all Pacific microstates encounter in coping with statehood are often similar whether they might be 'quasi-states' grappling with the challenges of nation building or established polities such as Nauru, Samoa or Tonga that approximated the ideal of a 'nation' well before the arrival of Europeans with their notions of the state .[9]

Of course, the distinction between and amongst the PICs as nations and their varying capacities to cope with statehood has been complicated by a certain entrepreneurial 'roguishness' in some quarters in the use of their sovereignty over several decades. Those PICs that have pursued more adventurous approaches to the use of their rights as sovereign entities have been perceived as posing threats to other states not because they were 'failing' in the sense of meeting expected standards of internal order. Rather, lax off-shore banking laws that allowed massive money

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[8] 'The Prime Minister's speech at the Lord Mayor's Banquet', 12 November 2002. http://www.number-10.gov.uk/output/Page6536.asp
[9] Jackson (1990) canvasses the special difficulties that 'quasi-states have in meeting their obligations to their own citizens and to the international community.

laundering and tax haven opportunities; a willingness to auction their nationality without due care by selling passports; registering flags of convenience, and the like, have threatened the security of others by facilitating international criminal and terrorist activities.[10] These activities have had little to do with state incapacity underlying the concept of the 'failed state'. Moreover, these issues have been around long before the issue of 'failed states' gained international security currency without attracting the same degree of defensive response. The 'global war on terror' reduced the tolerance of some states for this behaviour. Increasingly pressure has been put on PICs to comply with international standards in these areas.

Yet, surprisingly for all its public and private admonishments to the FICs, Australia is not always at the forefront of this pressure. In the case of Nauru, a former Australian trust territory and still using the Australia dollar zone as its national currency, the US acted to impose compliance. The tiny republic had long promoted itself as an offshore financial centre (OFC) and pursued other schemes to commercialise its sovereignty including the sale of passports under the Citizenship Investment Scheme. Under the scheme, all that was required by those wanting to obtain a passport was a medical and HIV test. After approval was granted, US$30,000 was wired to a bank in Hong Kong (Chulov, 2003). It is interesting that the pressure on Nauru with regard to the merchandising of passports was less when it was thought that mainly drug dealers and people smugglers used these passports. But, in 2003, several suspected terrorists were arrested carrying purchased Nauruan passports ('Sinister Shell Games…', 2003). This set off a chain of events that would eventually result in the US compelling Nauru to shut down its offshore banking activities and cease its passport sales.[11] The US offered substantial economic assistance if Nauru was prepared to assist in the 'war on terrorism' but also threatened that, if Nauru did not, the US would invoke sanctions that would cripple the already seriously deteriorating Nauruan economy. Thus, the Bush Administration singled out Nauru as the first nation for financial sanctions under the *USA PATRIOT Act* (2001) on 20 December 2002 (Herr and Potter, forthcoming). There were reasons why Howard was unwilling to pursue Nauru for its irresponsible international behaviour. The Australian Government's 'Pacific Solution' indebted it to maintaining a supportive relationship with Nauru for domestic reasons even if this compromised its security aims in the region (Kremmer, 2004).

[10] See for example: 'Flags of convenience bad for Pacific' (2004)
[11] Details of these events were reported by Stewart and Chulov (2003).

Selling Sovereignty[12]

Perhaps more damaging to the prospects of a truly effective regional approach to security in the post-Cold War era than either the disproportionate power of its friends or their inconsistencies in national objectives in the region is the FICs pursuit of 'national interest' at the expense of regionalism. It is assumed that all states will pursue their national interests, of course. However, some states have appeared to regard sovereignty itself as an economic asset to be bartered in the international diplomatic market.

The participation of some Forum Island Countries (FICs) at recent International Whaling Commission (IWC) meetings illustrates the grey areas between the dubious and the disreputable in 'selling sovereignty'. Australia, New Zealand and the FICs, through both the South Pacific Regional Environment Program (SPREP) and the Forum, have committed themselves repeatedly to the pursuit of a South Pacific Whale Sanctuary since 1998. This proposal was advanced and enthusiastically endorsed by Australia and New Zealand who regularly took it fruitlessly to the IWC for acceptance. A significant impediment to the success of the South Pacific Whale Sanctuary at the IWC has been the resistance of a number of FICs to maintaining a regional commitment to this initiative.

Japan has long been accused of buying votes in the IWC by paying for the participation costs of a small school of sovereign minnows to enable Tokyo to put commercial whaling back on the IWC menu. At last year's IWC meeting in Korea, this shoal of minnows included five FICs - Kiribati, Nauru, Palau, the Solomons and Tuvalu. At one time or another, these five voted against the regional position or against Australian and New Zealand initiatives to prevent a return to commercial whaling or using 'scientific' whaling to supply commercial markets. This was despite promises prior to the IWC's Ulsan meeting from FIC states that they would support Australia when Senator Ian Campbell, Australia's Environment Minister, went through the region earlier in the month seeking these assurances. [13] The number of FICs at the 2006 meeting on St Kitts increased to six and, overall, the same pattern was repeated.

As noted above, at one level it could be argued that if Japan is buying the sovereign rights of small, developing states to participate in inter-

[12] This section draws from Herr's earlier paper '*Sovereignty and Responsibility: Some Issues in Chinese/Taiwanese Rivalry in the Pacific Islands*' included in this issue of the journal (pp. 80-3).
[13] Chris Johnson supplied me the IWC voting records.

national decision-making as stakeholders in the whaling issue-area, it is nothing new. However, there are real problems with the apparent opportunism of those FICs that participated in the IWC meetings. In this case, assisting Japan is not just a question of very small and economically weak states seeking financial advantage at the expense of a virtually non-existent national interest in whaling. The benefit to national interest is far from clear. The minor financial reward to the FIC delegations from their supported travel overseas and the perhaps greater advantage to the national economies through increased Japanese aid must be offset against the cost to confidence in the regional system for achieving collective objectives. In the case of whaling, it is clear that the Island representatives exercising their diplomatic independence felt their interests (and perhaps those of their country) were better served by honouring agreements with Japan than maintaining pledges to their fellow Forum members. It is doubtful that these delegates considered their votes as seriously challenging the regional system or damaging to their long-term relations with Australia and New Zealand.

Similar points have been made, however, with regard to other aspects of the orderly operation of the international state system – offshore financial centres, ship registrations, passport controls and the like. Helping to maintain an effective and orderly system of managing international exchanges should advantage all states but is especially important to the weak and vulnerable. The benefit to the Pacific Island states of supporting well maintained international regimes regulating banking, shipping, diplomatic contacts and the like is that they can participate more safely and cheaply than would be the case if these mechanisms did not exist. However, the benefits can appear remote and less rewarding than opportunistic behaviour, especially if their exceptionalism is perceived to be so minor as to not disturb the overall effectiveness of the regime.

Perhaps the more serious contest between the People's Republic of China and Taiwan for diplomatic recognition, including a presence in the Pacific Islands, also has been interpreted widely in 'selling sovereignty' terms (Australian Senate, 2006: 167). There is, nevertheless, a debate as to whether this rivalry is driven primarily by the Pacific Islands countries trying to sell recognition or by the two Asian powers to buy it. For example, James Brooke of the New York Times News Service opted for the former interpretation when he claimed recently that the 'small islands often offer recognition to the highest bidder' in playing China off against Taiwan (Brooke, 2004). On the other hand, the *Economist* (7 April 2004) reported the rivalry between Beijing and Taipei in the Caribbean in terms of the two powers actively trying to buy it as a commodity. While both

the People's Republic of China (PRC) and Taiwan deny that they are trading in recognition, Taiwan is usually regarded as the active party given its more problematic relationship with the international community. Nevertheless, even Beijing is claimed to have an active, if negative, role since it achieves 'gains' by denying Taiwan the recognition Taipei seeks. This can involve 'outbidding' Taiwan as was claimed recently when the PRC is alleged to have paid heavily to prevent Nauru from reverting to its earlier recognition of Taiwan (McDonald, 2003). The PRC and Taiwan have been accused of engaging in this 'dollar diplomacy' in Africa, Latin America, the Baltic and the Caribbean, so it perhaps comes as no surprise that the tactic has been pursued for some time in the Pacific Islands as well.[14]

Conclusions

The current period of greater security saliency for the Pacific Islands has again focused the minds of some on finding a regional solution to meeting some of the geo-political realities of this group of small, relatively poorly resourced and remote countries. The solution was not all that effective during the period of the Cold War when it was part of the policy of 'strategic denial'. It would be too early to say it could be no more effective today under the 'Pacific Plan' but there are at least three grounds for expressing concern. The Western beneficiaries have not always been consistent in helping to maintain the objectives of the regionalist approach. This was clear in the differences between the US and Australia in their view of their client states responsibilities toward the war in Iraq (especially if genuinely seen as part of the 'global war on terror'). It can be seen in Australia's inconsistency in its approach to 'good governance' within the Pacific Islands region when its own national interests are at issue. And, it can be found in the willingness of a significant number of FICs to pursue their own national interests at the expense of regional agreements. In short, the Pacific Plan may be the latest iteration of a regional solution to meeting the challenging geo-politics of the Pacific Islands but it will have to overcome some hugely challenging obstacles. Even then, the asymmetries of power will always have the Islands at the mercy of other states whose interests, however benign, will not be entirely those of the Islands.

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[14] This argument is documented more fully in my article 'Sovereignty and Responsibility: Some Issues in Chinese/Taiwanese Rivalry in the Pacific Islands' included in this issue of the journal (pp 78-95).

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