

## ***Junk Boats in the Archipelago: China and Taiwan's Pacific Island Dynamics***

***Fabrizio Bozzato***

**Abstract:** Old, new and renewed forces and connections are at play in the Pacific Islands Region. Over the last decade the region has been undergoing a rapid and substantial change in its geopolitics, with profound consequences for all its stakeholders. The currents of influence are swirling and shifting. As a result, a new geo-discursive paradigm is unfolding and evolving, and Asian powers are taking increasingly prominent roles in it. China is by far the most important of the Asian players. Prior to 2008, Beijing's interests in the Pacific Islands have been driven largely by its diplomatic confrontation with Taiwan. Specularly, the chief motivation behind Taipei's activities in the area was (and remains) the preservation of its 'international space'. While the cross-Strait rivalry had, under many respects, a negative impact on the Island nations' political processes and international perception, it would be simplistic to maintain that they have not benefited from the aid provided by the two Asian powers, which represents a few-strings attached alternative to the highly-conditional Western development assistance. With the subsequent consolidation of the cross-Strait diplomatic truce, China's presence in the Islands has been characterized by spectacularly expanding trade, investments, and aid programs. Also, thanks to the quiescence of the rivalry with the Mainland, Taiwan - which has one fourth of its 'diplomatic ties' in the Pacific - is now in a position to further its long-term interests in the region by maximizing its soft power. Today, cross-Strait dynamics are at a crucial juncture. Changes across the Taiwan Strait and in the regional order provide both sides with new options. The Pacific Islands now offer Beijing and Taipei the opportunity to experiment with confidence-building measures, test cooperation models, and develop synergies on a relatively small and low-risk scale.

**Keywords:** *Pacific Islands Region, China, Taiwan, Pacific Island Countries, Cross-Strait Relations*

## 1. Introduction

Asia-Pacific is now the most dynamic part of the world, with a share of approximately thirty-six percent of the world's total gross domestic product.<sup>1</sup> However, its dynamism has not yet really been reflected in the Pacific Islands Region (PIR). This region comprises twenty-two countries and territories dispersed over an area of 48 million square kilometers and with a total population of about 10 million people, approximately 6.5 million of whom live in Papua New Guinea. All fourteen of the independent states of the region are either developing or least developed countries.<sup>2</sup> In a region spread over a huge marine area the sea has always been an intrinsic part of Pacific Islanders' life. "The Pacific Ocean provides food, transport, and is a source of pride and identity for its 10 million inhabitants"<sup>3</sup> that are joined, rather than divided, by the world's largest aqueous expanse.<sup>4</sup> Yet, such common insularity and oceanicity means also that the Pacific Island nations share similar challenges as small and remote island economies.<sup>5</sup> Long distances from main international port hubs and export markets, diseconomies of scale, liability to exogenous shocks and insufficient intra- and extra- regional connectivity negatively synergize to make the Islands' economies critically vulnerable and highly volatile.<sup>6</sup> Even though they are becoming increasingly integrated into the global markets, most Pacific Island countries (PICs) and territories still face the limitations imposed by their paucity of resources, scarcity of infrastructure, scant absorptive capacities, technological inadequacies, economic mismanagement and poor governance.<sup>7</sup> Moreover, these are also some of the most vulnerable countries in the world to the effects of climate change and natural disasters. According to a World Bank report, of the twenty countries in the world with the highest average annual disaster

---

<sup>1</sup> Asia Pacific Economic Cooperation, "APEC Ministers: World Needs Greater Asia-Pacific Partnership," *APEC News Releases*, 8 November 2014. [http://www.apec.org/Press/News-Releases/2014/1108\\_AMM1.aspx](http://www.apec.org/Press/News-Releases/2014/1108_AMM1.aspx) (Accessed November 9, 2014).

<sup>2</sup> European Commission, "European Commission Cooperation with the Pacific", 28 May 2013. <http://ec.europa.eu/research/iscp/index.cfm?lg=en&pg=pacific> (Accessed October 1, 2014).

<sup>3</sup> Asterio Takesy, "South Pacific: an introduction", United Nations Environment Programme - Regional Seas Programme, 2014. <http://www.unep.ch/regionalseas/regions/spac/spacint.htm> (accessed October 2, 2014).

<sup>4</sup> See: Epeli Hau'ofa, "Our Sea of Islands," *The Contemporary Pacific*, Vol. 6, No. 1 (Spring 1994), pp. 147-161.

<sup>5</sup> United Nations Population Fund - Pacific Sub-Regional Office, "Population and Development Profiles: Pacific Island Countries," April 2014, pp. 1-8.

<sup>6</sup> World Bank, "Pacific Islands Overview," 2014. <http://www.worldbank.org/en/country/pacificislands/overview> (accessed October 2, 2014).

<sup>7</sup> Joseph A. Camilleri, *Regionalism in the New Asia-Pacific Order*, Cheltenham, UK: Edward Elgar Publishing (2003): p. 107. See also: Graham Hassall, "Including Small Island States in Global Politics," *Vimeo*, 2011. <http://vimeo.com/22394594> (Accessed October 10, 2014).

losses scaled by gross domestic product, eight are in the PIR.<sup>8</sup> Also, in some of the PICs the combination of remarkably high population rise and stifling economic growth strands the capacity of governments to provide jobs and services and causes the best and ablest to migrate in large numbers to Pacific Rim metropolises.<sup>9</sup> The aggregate result of this equation is that Island societies remain heavily or significantly reliant on external resources, “typically including at least one of aid, migrant remittances, and foreign direct investment.”<sup>10</sup> Most of the PICs severely depend on Official Development Assistance (ODA), and the region receives some of the largest ODA per capita amounts in the world.<sup>11</sup> Clearly, transcending the law of the minimum,<sup>12</sup> escaping the dependency trap, recovering from natural disasters and walking the path to sustainable development are all challenges that Pacific Islanders cannot win alone.<sup>13</sup> All require long-term cooperation with wealthy and steadfast partners. In the words of Tuiloma Neroni Slade, the Secretary General of the Pacific Island Forum, “for Pacific Islands, committed and effective partnership in development is simply critical.”<sup>14</sup> But, unlike in the past, today the choice of partners is not limited to the former metropolitan powers and custodians. Today new flags, Asian flags, are flying on the horizon.

“Smallness is [...] 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.”<sup>15</sup> In the past, this led to a situation of chronic dependence from the Western donors’ aid and marked

---

<sup>8</sup>United Nations Office for the Coordination of Humanitarian Affairs, Regional Office for the Pacific, Annual Report 2013, 2013. <http://www.unocha.org/annualreport/2013/rop> (accessed October 3, 2014).

<sup>9</sup> Brian Opeskin and Therese MacDermott, Enhancing opportunities for regional migration in the Pacific, *Pacific Institute of Public Policy Briefing*, No. 10, April 2013, pp. 1-3.

<sup>10</sup> Mark McGillivray, Wim Naudé and Amelia Santos-Paulino, “Achieving growth in the Pacific islands: An introduction”, *Pacific Economic Bulletin*, Vol. 23, No. 2 (2008), p. 97.

<sup>11</sup>, Tracking development and governance in the Pacific, August 2009, p. See also: Jonathan Pryke, “Rising aid dependency in the Pacific, *Devpolicy Blog*, 17 September 2013. <http://devpolicy.org/rising-aid-dependency-in-the-pacific-20130917/> (accessed October 3, 2014).

<sup>12</sup> The law of the minimum is a principle developed in agricultural science by Carl Sprengel and later popularized by Justus von Liebig. It states that growth is controlled not by the total amount of resources available, but by the scarcest resource (limiting factor). See: Alexander N. Gorban *et al.*, “Law of the Minimum Paradoxes,” *Bulletin of Mathematical Biology*, Vol. 73, Issue 9, September 2011, pp. 2013-2044.

<sup>13</sup> Simon Feeny, Sasi Iamsiraroj and Mark McGillivray, Australia Growth and Foreign Direct Investment in the Pacific Island countries, Alfred Deakin Research Institute, Deakin University, 2014.

<sup>14</sup>Pacific Island Forum Secretariat, “SG Slade’s Remarks at the Pacific Islands Countries/Development Partners Meeting, Suva, Fiji,” 25-26 June 2014. <http://www.forumsec.org/pages.cfm/newsroom/documents-publications/speeches/2013-1/sg-slades-remarks-at-pacific-island-countries-development-partners-meeting-suva-fiji.html> (accessed October 4, 2014).

<sup>15</sup> Fabrizio Bozzato, “Swimming with Dragons: Cross-Strait Waves in the South Pacific,” in Ming-Hsien Wong (ed.), *Managing the Regional Security Agenda*, Taipei, Tamkang University Press, 2013, p. 321.

asymmetry within regional institutions jointly perpetuating a model of geopolitically ossifying patron-client relations. However, presently “the configuration of power, institutions and ideas that shaped” the regional order in the late 20<sup>th</sup> century “no longer prevails, challenged by forces both external and internal to the Pacific.”<sup>16</sup> Against the backdrop of increasingly dynamic geopolitical and geo-economic changes in the Asia Pacific, developments in the Pacific Islands’ diplo-sphere and regional institution and narratives have been dramatic in recent years. Old, new and renewed forces and connections are simultaneously at play in the region. The interaction and intersection of these forces with an intra-regional palingenetic discourse are effecting what is described as a ‘paradigm shift’ by the President of Kiribati.<sup>17</sup> A new regional order is emerging. Non-Western powers such as China, Russia, India, Indonesia and other Asian countries seeking access and influence are functioning as vectors of change. “In part because of economic interest, in part because of strategic concerns, and in large part because of the vacuum left by the declining interest of the West in the Pacific Islands, Asian nations have invested significant diplomatic resources in the region, creating a true ‘Asia-Pacific’ political system.”<sup>18</sup> This Asianization process has created new partnership options and developmental alternatives for the PICs, resulting in their turn toward the ‘North’ and causing a genetic mutation in their geopolitical DNA.<sup>19</sup> “New regional institutions are also facilitating fundamental power shifts in the region.”<sup>20</sup> As a combined effect of the diversion of influence to Asia and the diplomatic emancipation of the region, power relations between the Island states and their traditional foreign partners are changing.<sup>21</sup> The peoples of the Pacific Islands are entering a period of consequences. On the one hand, it is widely acknowledged that regional integration in the Asia Pacific economic currents can assist in making regional development more balanced with the lagging economies of the Islands receiving a boost through stronger connectivity and integration with

---

<sup>16</sup>Sandra Tarte, “Regionalism and Changing Regional Order in the Pacific Islands,” *Asia & the Pacific Policy Studies*, vol. 1, No. 2, May 2014, p.11.

<sup>17</sup> Anote Tong, Keynote Address, Launch of the Pacific International Relations Forum of the School of Government, Development and International Affairs of the University of the South Pacific, Suva, 9 October 2012. <http://pidp.eastwestcenter.org/pireport/2012/October/10-11-sp.htm> (Accessed October 13, 2014).

<sup>18</sup> Evan Lampe, “Ron Crocombe. Asia in the Pacific Islands: Replacing the West,” book review, *Pacific Studies*, Vol. 12, No. 1 March 2009, p. 111.

<sup>19</sup> See: Matthias Kowasch and Peter Lindenmann, “New flags, upward forces and sheltered harbours: The new ‘Great Game’ in the Pacific Islands region,” *Pacific Geographies*, Issue 41, January-February 2014, pp. 1-9.

<sup>20</sup>Sandra Tarte, “Regionalism and Changing Regional Order in the Pacific Islands,” p. 12.

<sup>21</sup> Oliver Hasenkamp, “Cooperation & diplomacy in Oceania: Transformations to the regional system and increased global presence,” *Pacific Geography*, No. 42, July/August 2014, pp. 16-20.

economic growth poles in Asia.<sup>22</sup> On the other hand, however, the changing regional order features new power asymmetries and financial quicksand that have the potential to create future tensions and pernicious circumstances, including the risk for the Island nations of inadvertently sliding into a situation of suzerainty.<sup>23</sup> In this context of widening spatiality, recombinant history and mercurial geopolitics, even the Cross-Strait currents in the PIR are undergoing a mutation and their trajectory is heading towards ‘something more than rivalry’.<sup>24</sup> Changes across the Taiwan Strait and in PIR regional order provide both sides with new options and opportunities. Borrowing a fortunate metaphor about China and Taiwan in the South Pacific from Graeme Dobell, after playing ‘Pacific Rugby’ for decades the two sides have decided to sit down and play a patient and synergistic game of chess in which the developments in the Strait and those in the Ocean are in a recursive relationship.<sup>25</sup>

This paper analyses the evolution and prospects of the Cross-Strait dynamics in the PIR drawing from a vast array of scholarly publications and news reports. First, it examines the two Asian players’ stand and role in the region and emphasizes how their competition has been long conducted mainly through ‘chequebook diplomacy’ - diplomatic recognition in return for less-than-transparent development assistance.<sup>26</sup> The analysis then considers the possibilities opened by the binary combination of Cross-Strait détente and the transforming PIR regional order, and ventures into exploring some ways forward.

---

<sup>22</sup>Pacific Islands Forum Secretariat, “Greater integration with Asia to benefit the Pacific,” Press Statement 10/13, 6 March 2013. <http://www.forumsec.org/pages.cfm/newsroom/press-statements/2013/pacific-perspective-at-high-level-roundtable.html?printerfriendly=true> (Accessed October 16, 2013). See Also: Steve Pollard, “Pacific economies: Leveraging the benefits of East Asian and Southeast Asian growth,” *Asia Pathways*, 15 May 2014. <http://www.asiapathways-adbi.org/2014/05/pacific-economies-leveraging-the-benefits-of-east-asian-and-southeast-asian-growth/#sthash.ctSJa8KY.dpuf> (Accessed October 16, 2014).

<sup>23</sup> Jonathan Pryke, “The Pacific’s aid boom,” *Devpolicy Blog*, 2 September 2013, <http://devpolicy.org/the-pacifics-aid-boom-02092013/> (Accessed October 16, 2013). See also: Bob Warner, “Pacific and Caribbean integration: between a rock and a hard place?” *Devpolicy Blog*, 20 November 2012. <http://devpolicy.org/pacific-and-caribbean-integration-between-a-rock-and-a-hard-place-20121120/> (Accessed October 16, 2013).

<sup>24</sup> The Brookings Institution and Association of Foreign Relations, Relations across the Taiwan Strait: Opportunities and Challenges under New Conditions, Panel 1: Opportunities and Challenges in Cross-Strait Relations (transcript), International Conference, Kenney Auditorium, Johns Hopkins University, Washington, DC, 12 September 2014.

<sup>25</sup> See: Graeme Dobell, China and Taiwan in the South Pacific: Diplomatic Chess versus Pacific Political Rugby, CSCSD Occasional Paper, No. 1, May 2007.

<sup>26</sup> See: Anthony Van Fossen, “The Struggle for Recognition: Diplomatic Competition between China and Taiwan in Oceania,” *Journal of Chinese Political Science*, Vol. 12, Issue 2, pp. 125-146.

## 2. *China in the Pacific Islands*

“The Island States of Oceania play a small but increasingly significant role in China’s effort to further its economic and strategic interests.”<sup>27</sup> Although the region is not on China’s immediate periphery, nonetheless it represents an important element in Beijing’s pursuit of its twin goals of national resilience and rise to globalism.<sup>28</sup> As an Asian-Pacific power with global aspiration China is surfing the wave of emerging multi-polarity and seeking influence even in the once isolated and West-tutelaged - and now in transition - PIR.<sup>29</sup> China’s presence in the Islands is not new. Modern relations between China and the South Pacific date back to the Chinese labor migrations of the late 19th century<sup>30</sup> and Beijing gained its first diplomatic foothold in the region back in 1975, when it established diplomatic relations with Fiji, and currently has the diplomatic allegiance of eight PICs - the Cook Islands, Federated States of Micronesia, Fiji, Niue, Papua New Guinea (PNG), Samoa, Tonga, and Vanuatu. However, China has recently introduced a new transformative variable in the regional equation. In fact, the expanding pervasiveness of Chinese interests in the region is driving plastic changes in its geopolitical ecosystem at such a pace that the Islands’ established international partners have been taken off balance and found their ability to shape developments increasingly challenged by Beijing’s activism.<sup>31</sup> Until the mid-2000s, China’s presence in the region used to be explained primarily in terms of its diplomatic rivalry with Taiwan. However, since the materialization of the cross-Strait diplomatic truce, China has been creating a new Pacific persona for itself through a combination of diplomatic dynamism and financial largesse which is both strategic in nature and pragmatic in approach. Although power grows out of the barrel of the gun, China is aware that in the Pacific Islands influence grows out of the generosity of the purse.<sup>32</sup> Consistently, over the last decade, the PRC has been developing resilient and ‘highly-adhesive’ ties within the PIR and building up

---

<sup>27</sup> Terence Wesley-Smith, “China’s Pacific Engagement,” in Terence Wesley-Smith, Edgar A. Porter (eds.), *China in Oceania: Reshaping the Pacific?*, Oxford and New York, Berghahn Books, 2010, p. 30.

<sup>28</sup> Nicholas D. Thomas, “Looking South: China’s Oceanic Relations,” in Shaun Breslin (ed.), *Handbook of China’s International Relations*, London, Routledge, 2010, pp. 219-226.

<sup>29</sup> Jian Yang, *The Pacific Islands in China’s Grand Strategy: Small States, Big Games*, New York, Palgrave Macmillan, 2011, pp. 11-18.

<sup>30</sup> Zhiqun Zhu, *China’s New Diplomacy: Rationale Strategies and Significance*, Surrey (England), Ashgate, 2010, p. 139.

<sup>31</sup> Jenny Hayward-Jones, “China in the Pacific Islands: Competition Not Dominance,” *The Diplomat*, 22 May 2013. <http://thediplomat.com/2013/05/china-in-the-pacific-islands-competition-not-dominance/> (Accessed October 14, 2014).

<sup>32</sup> See: Shunli Yao, Biman Prasad and Meng Xu, “China’s Economic Rebalancing amid Global Financial Crisis: Implications for the Pacific Island Countries,” *Journal of Pacific Studies*, Vol. 33, No. 1, 2013, pp. 44-61.

influence through diplomatic pro-activity and the strategic use of aid.<sup>33</sup> On the one hand, China has invested substantially in diplomacy. Diplomatic interaction that was generally conducted at a low level has increased in profile and the PRC today has the highest numbers of diplomats in the region.<sup>34</sup> Also, visit diplomacy has been diffusely and effectively implemented for the sake of cultivating the local political elites' friendship.<sup>35</sup> Concomitantly, China has spectacularly intensified its aid commitment to its diplomatic allies in the South Pacific. Beijing launched its charm and sticky-power offensive<sup>36</sup> at the 2006 *1st China-Pacific Island Countries Economic Development and Cooperation Forum* in Fiji. At that event, the then Chinese premier Wen Jiabao announced US\$492 million in concessional loans to the region. Following such a *grand entrée*, between 2006 and 2011 China granted approximately US\$850 million in bilateral aid to its eight diplomatic allies. In November 2013, a new hefty regional assistance gift box was unwrapped at the *2<sup>nd</sup> China-Pacific Islands Countries Forum* in Guangzhou. The most relevant component of the package was the pledge of up to US\$1 billion in concessional finance, to be allocated over four years.<sup>37</sup> Beijing also announced a commercial loan facility of US\$1 billion, administered through the China Development Bank.<sup>38</sup> China's financial assistance packages - aimed at "enhancing trade, building infrastructures, equipping government and military assets, and developing natural resources"<sup>39</sup> - have made China one of the region's top three donors after Australia and, probably, before the United States.<sup>40</sup> Moreover, "Chinese foreign aid seems to differ greatly from that of traditional donors. China boasts that its aid has no political strings

---

<sup>33</sup> See: Mary Fifita and Fergus Hanson, "China in the Pacific: The New Banker in Town," *Issues & Insights*, Vol. 11, No. 5, April 2011, 1-26.

<sup>34</sup> Joanne Wallis, "The United States and China in the South Pacific and beyond," *East Asia Forum*, 6 September 2012. <http://www.eastasiaforum.org/2012/09/06/the-united-states-and-china-in-the-south-pacific-and-beyond/> (Accessed 8 October 2014).

<sup>35</sup> Anne-Marie Brady and John Henderson, "New Zealand, the Pacific and China: The Challenges Ahead," in *Looking North, Looking South: China, Taiwan, and the South Pacific*, Singapore, World Scientific, 2010, pp. 212-213.

<sup>36</sup> "Economic, or sticky, power is different from both sharp and soft power - it is based neither on military compulsion nor on simple coincidence of wills. Consider the carnivorous sundew plant, which attracts its prey with a kind of soft power, a pleasing scent that lures insects toward its sap. But once the victim has touched the sap, it is stuck; it can't get away. That is sticky power; that is how economic power works." (Walter Russell Mead, "America's Sticky Power," *Foreign Policy*, Issue 141, March/April 2004, p. 48).

<sup>37</sup> Matthew Dornan and Philippa Brant, "Chinese Assistance in the Pacific: Agency, Effectiveness and the Role of Pacific Island Governments," *Asia & the Pacific Policy Studies*, Vol. 1, No. 2, May 2014, p. 350.

<sup>38</sup> *Ibid.*

<sup>39</sup> Jian Yang, "China and the Evolving Regional Order in the South Pacific," in Xiaoming Huang and Robert G. Patman (eds.), *China and the International System: Becoming a World Power*, London, Routledge, 2013, p. 127.

<sup>40</sup> See: Dominik Cholewski, *The People's Republic of China's Aid Program in Oceania: 2005-2009*, LEAM Discussion Paper no. 1, University of Lodz, July 2013.

attached, and that it focuses on equality and the mutual benefits between China and the recipient country.”<sup>41</sup> China prioritizes the funding of ‘hardware’ and highly visible projects, especially those of infrastructural development. On the contrary, traditional donors place the emphasis on ‘software’ sectors such as governance and democratic practice; they insist on accountability as a core principle and primary condition of their aid; and show a preference for program-based support to projects and capacity-building.<sup>42</sup> Although China’s quest for natural resources is one of the vectors of Chinese provision of foreign aid in the Pacific Islands,<sup>43</sup> it does not appear to be the exclusive or primary focus of China’s aid policies in the region,<sup>44</sup> especially in the light of the “fragmentation of Chinese activities and players in the Pacific.”<sup>45</sup> The reasons for Beijing’s engagement of the region are varied. For example, “China has small ethnic communities amongst many South Pacific nations and also tries to curry political favor with these same countries. It is always handy to have extra votes in the UN for little cost.”<sup>46</sup> For sure, China being by far the most important of the Asian players is now both a factual and interjected reality. The real challenge for extra-regional scholars, diplomats and decision-makers is to understand that China’s presence in the South Pacific 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 regional theater.<sup>47</sup>

---

<sup>41</sup> Denghua Zhang and Graeme Smith, “China’s Evolving Aid Regime in the South Pacific: The scope of Chinese cooperation, its benefits and limitations, and possible motivations behind its expansion,” *Banyan Analytics*, 1 October 2014. [http://www.anser.org/babrief\\_china-evolving-aid](http://www.anser.org/babrief_china-evolving-aid) (Accessed October 7, 2014).

<sup>42</sup> Zhen Wang, *China’s Bilateral Aid to the South Pacific Region: A Constructivist Analysis*, master thesis, Victoria University of Wellington, 28 February 2014, pp. 37-42. See also: Wang Kao-cheng and Fabrizio Bozzato, “Defusing the ‘China threat’: Toward a new discourse in the Pacific Islands,” in Martin Riegl, Jakub Landovsky and Irina Valko (eds.), *Strategic Regions in 21st Century Power Politics: Zones of Consensus and Zones of Conflict*, Newcastle-upon-Tyne (UK), Cambridge Scholars Publishing, 2014, pp. 241-260.

<sup>43</sup> Changsen Yu, “China’s Economic Relations with Pacific Island Countries,” China Working Papers, New Zealand Contemporary China Research Center, Victoria University of Wellington, 12 August 2014, p. 1.

<sup>44</sup> Philippa Brant, “Chinese Aid in the South Pacific: Linked to Resources?” *Asian Studies Review*, Vol. 37, Issue 2, May 2013, pp. 158-77.

<sup>45</sup> Paul D’Arcy, “China’s Rising Influence in the South Pacific,” in Ming-Hsien Wong (ed.), *Managing the Regional Security Agenda*, p. 131.

<sup>46</sup> Kym Bergmann, “The Russians are coming. Not,” *The Strategist*, 19 November 2014. <http://www.aspstrategist.org.au/the-russians-are-coming-not/> (Accessed November 19, 2014).

<sup>47</sup> Fabrizio Bozzato, “Swimming with Dragons: Cross-Strait Waves in the South Pacific,” p. 325.



### 3. *Taiwan in the Pacific Islands*

Taiwan has multiple interests in the PIR and “a long history of contributing to the Pacific region’s development and providing humanitarian assistance on a bilateral basis”<sup>48</sup> to his Pacific Island diplomatic allies and fellow oceanic democracies. The International Cooperation and Development Fund of Taiwan (Taiwan ICDF) - Taiwan’s dedicated international development and cooperation organization - is very active in the Pacific Islands.<sup>49</sup> “Taiwan visibility in the international community is crucial to its own national survival. To overcome the limitations imposed by China and the international system, Taiwan has been striving hard to prove to the world the inherent value of its nation society and culture”<sup>50</sup> and, as result, being granted diplomatic recognition. Currently, Taiwan entertains official relations with six PICs: Kiribati, the Marshall Islands, Nauru, Palau, the Solomon Islands and Tuvalu. Given that a quarter of the twenty-two countries that bestow diplomatic allegiance on the Republic of China (the official name of Taiwan) are in the PIR, this region is of prime geopolitical importance to Taipei. Historically, the chief motivation behind Taiwan’s activities in the Pacific Islands has been the defense of its ‘diplomatic space’. Namely, countering Beijing’s efforts to extirpate Taipei’s diplomatic presence.<sup>51</sup> “In addition, Taiwan uses its aid policy as a means to raise its international profile through promoting itself as a humanitarian power and aims to further its access to the natural resources of the area.”<sup>52</sup> In the PIR, “Taiwan usually spends around US\$10 million a year on each of its diplomatic allies.”<sup>53</sup> In 2008, the election of Taiwanese president Ma Ying-jeou, a leader openly committed to engaging with the Mainland and make overtures to Beijing in return for economic benefits and political détente marked a turning point in the cross-Strait relations. Even in the PIR. In fact, soon after its inauguration, the Ma Administration claimed it had successfully negotiated a ‘diplomatic truce’ with the other side of the Strait under the banner of

---

<sup>48</sup>Ting-Hui Lin, “Taiwan’s Contribution to the Pacific Islands Security from the Perspective of the Pacific Plan,” in Ming-Hsien Wong (ed.), *Managing the Regional Security Agenda*, p. 171.

<sup>49</sup>Taiwan International Cooperation and Development Fund, “Projects”, 2014. <http://www.icdf.org.tw/ct.asp?xItem=5293&CtNode=29880&mp=2> (Accessed November 5, 2014).

<sup>50</sup> Saša Istenič, In Search for More Sun: Taiwan’s International Space, 11th Annual Conference on the Taiwan Issue in China-Europe Relations, Shanghai, Shanghai Institutes for International Studies, 14-16 September 2014, p. 2.

<sup>51</sup> Joel Atkinson, *Australia and Taiwan: Bilateral Relations, China, the United States, and the South Pacific*, Leiden, Brill (2012), p. 163.

<sup>52</sup> Fabrizio Bozzato, “Swimming with Dragons: Cross-Strait Waves in the South Pacific,” p. 319.

<sup>53</sup> Jian Yang, *The Pacific Islands in China's Grand Strategy: Small States, Big Games*, p. 57.

Taiwan's new 'viable diplomacy'.<sup>54</sup> Although China has not explicitly acknowledged the *bonne entente* with the opposite coast, the truce has proved to be enduring fundamentally because "it serves Taipei and Beijing's mutual interests."<sup>55</sup> In fact, starting from 2008, the two sides have signed a series of landmark trade and economic pacts.<sup>56</sup> In the PIR "the informal truce appears to have temporarily anesthetized the rivalry, given that at the moment neither side is actively operating to change the diplomatic balance."<sup>57</sup> This is reflected by some important policy shifts by Taipei and Beijing. After years of so-called 'chequebook diplomacy' "in which China and Taiwan vied for each other's diplomatic partners through a game of one-upmanship,"<sup>58</sup> in 2009 Taiwan released an aid white paper that set out a much more responsible approach to aid giving, neatly rejecting the chequebook diplomacy for which both contenders got plenty of 'bad publicity'.<sup>59</sup> Huang Kwei-bo, an Associate Professor at the Department of Diplomacy of National Chengchi University in Taipei, maintains that "since the implementation of the viable diplomacy policy, Taiwan has become known for providing aid in accordance with legitimate goals, in conformance with legal procedures and in an effective manner, which are also mainstream rules followed by the community of donor nations."<sup>60</sup> Taiwanese officials say that Taipei's assistance to the Pacific now "is about sharing economic prosperity and providing practical help to countries in renewable energy, vocational training, medical assistance and protecting the region's tuna stocks."<sup>61</sup> For its part, Beijing has gradually adopted a less Manichean stand on the 'Taiwan problem' and- at the eve of the November 2014 summit with China's PIC allies – has even taken

---

<sup>54</sup> Andrew Hsia, "Viable Diplomacy and Taiwan-U.S.-China Relations," University of California - Berkeley, Berkeley, CA, 23 September 2009. <http://china.usc.edu/ShowEvent.aspx?EventID=1036&AspxAutoDetectCookieSupport=1> (Accessed October 27, 2009).

<sup>55</sup> Dalton Lin, "Taiwan & China: The Cross-Strait Diplomatic Truce in the Pacific," *Pacific Islands Society Commentary*, 27 October 2014, p. 1

<sup>56</sup> Gerald Chan, "Diplomatic truce" in cross-Strait relations: limits and prospects," in Weixing Hu (ed), *New Dynamics in Cross-Taiwan Strait Relations: How Far Can the Rapprochement Go?*, London and New York, Routledge, pp. 97-114.

<sup>57</sup> Fabrizio Bozzato, "Swimming with Dragons: Cross-Strait Waves in the South Pacific," p. 312.

<sup>58</sup> Philippa Brant, "China-Taiwan diplomatic rivalry gives way to new maturity," *The Interpreter*, 25 November 2013. <http://www.lowyinterpreter.org/post/2013/11/25/Chequebook-diplomacy-Mark-II-Unlikely.aspx?COLLCC=2478941727&> (Accessed October 26, 2014).

<sup>59</sup> Taiwan Representative Office in the EU and Belgium, "Summary of Taiwan's Foreign Aid Policy White Paper," 7 May 2009. <http://www.taiwanembassy.org/be/ct.asp?xItem=90636&ctNode=463&mp=102> (Accessed October 26, 2014).

<sup>60</sup> Huang Kwei-bo as quoted in Audrey Wang, "Sharing Success, One Project at a Time," *Taiwan Review*, 1 December 2012, <http://taiwanreview.nat.gov.tw/ct.asp?xItem=198471&CtNode=1207> (Accessed October 26, 2014).

<sup>61</sup> *ABC News*, "Taiwan rejects chequebook diplomacy tag over Pacific aid," 2 September 2013. <http://www.abc.net.au/news/2013-09-02/an-taiwan-reject-chequebook-diplomacy-tag/4928456> (Accessed October 23, 2014).

the unprecedented step of stating that there is room to work also with the six island states loyal to Taiwan.<sup>62</sup>

The South Pacific is also one of Taiwan's major fishing grounds. Therefore, Taiwan has substantial fishing interest in the region. Being a main fishery stakeholder has provided Taipei with an opportunity to be involved in regional fishing management frameworks and project a responsible fishing entity image. In December 2011, Taiwan became the first Asian nation to place a ban on shark finning<sup>63</sup> and in September 2012, after submitting a written agreement to the Convention on the Conservation and Management of High Seas Fishery Resources in the South Pacific Ocean, Taiwan officially gained membership of the South Pacific Regional Fisheries Management Organization (SPRFMO).<sup>64</sup> Actually, the promotion of Taiwan's oceanicity is being a recurrent theme in Taipei's policy agenda over the last decade. From 2000 to 2008, "building an ocean nation" was one of the policy pillars of the Democratic Progressive Party, the ruling party at the time. At the beginning of his first presidential tenure in 2008, Ma Ying-jeou proposed "creating a blue revolution and seeking prosperity from the ocean" as the directions for the nation's maritime policy.<sup>65</sup> Notably, it is not just a matter of prosperity, but also of identity politics. Emphasizing the island's oceanic identity can effectively serve the purpose of differentiating Taiwan from the Mainland. For the same reason, Taipei highlights the 'Austronesian link'. "The Taiwanese, in other words, stress the scientific evidence that the Formosan aboriginal population is culturally and genetically linked to the Pacific Islanders."<sup>66</sup> The link can be very instrumental to cultivating relations with the PICs. For example, Taiwan offers a substantial number of scholarships to citizens of *all* of the fourteen Forum Island

---

<sup>62</sup> Ben Blanchard, "China to lift aid to Pacific, sees cooperation with Taiwan allies," *Reuters*, 13 November 2014. <http://news.yahoo.com/china-lift-aid-pacific-sees-cooperation-taiwan-allies-052745950.html> (Accessed November 18, 2014).

<sup>63</sup> Erica Ho, "In First for Asia, Taiwan to Ban Shark Finning," *Time*, 1 December 2011. <http://newsfeed.time.com/2011/12/01/taiwan-to-become-first-asian-nation-to-ban-shark-finning/#ixzz2IjbCSI00> (Accessed October 20, 2014).

<sup>64</sup> Bonnie S. Glaser, *Taiwan's Quest for Greater Participation in the International Community*, New York, Rowman & Littlefield, 2013 pp. 28-29.

<sup>65</sup> Jim Hwang, "Blue Revolution," *Taiwan Info*, 1 February 2014. [http://taiwaninfo.nat.gov.tw/ct.asp?xItem=213573&CtNode=124&htx\\_TRCategory=&mp=4](http://taiwaninfo.nat.gov.tw/ct.asp?xItem=213573&CtNode=124&htx_TRCategory=&mp=4) (Accessed October 20, 2014).

<sup>66</sup> Fabrizio Bozzato, "Swimming with Dragons: Cross-Strait Waves in the South Pacific," p. 323.

Countries (*nota bene*, not only to applicants from Taipei's six allies);<sup>67</sup> co-manages and co-hosts the Pacific Islands Leadership Program (PILP) for 'young leaders' from across the PIR with the Honolulu-based East-West Center;<sup>68</sup> and regularly dispatches Formosan aborigines as its Youth Ambassadors to the region.<sup>69</sup> In essence, being aware that challenging China in an auction for diplomatic allegiances would be an impervious option, Taipei has chosen to prioritize results over allocation of resources as a way to carry out a strategy of soft power maximization fostering Taiwan as a proactive ocean stakeholder and 'Pacific Family' member.<sup>70</sup> Actually, this appears to be the best - if not the only - strategy available to protect Taiwan's long-term interests in the region. Furthering Taiwan's image as a Pacific Islands' earnest and committed key-partner is "a very effective way to heed Benoit Vermander's exhortation that while Taiwan strives to become a 'normal (ordinary) member', it can transform itself into an 'outstanding (extraordinary) member' of the international community."<sup>71</sup>

#### ***4. New Cross-Strait Dynamics: from Rivalry to Synergy***

In the light of the Copernican improvements in cross-Strait relations, *licet* arguing that viewing China and Taiwan's growing role in the Pacific only from the perspective of geo-political and diplomatic rivalry would be willfully myopic. Placing Beijing and Taipei's activities into an obsolete analytical framework risks obscuring the bigger and potentially more transformative impacts, both positive and negative, of their activities and future interaction within the PIR.<sup>72</sup> A more sophisticated understanding of the oceanic dimension of the cross-Strait dynamics must be

---

<sup>67</sup>Pacific Islands Forum Secretariat, Taiwan/ROC - "PIF Scholarship Scheme," 2014. <http://www.forumsec.org/pages.cfm/strategic-partnerships-coordination/taiwan-roc-pif-scholarship-scheme.html?printerfriendly=true> (Accessed October 23, 2014).

<sup>68</sup>East-West Center, "Pacific Islands Leadership Program with Taiwan (PILP)," 2014. <http://www.eastwestcenter.org/node/33866> (Accessed October 23, 2014).

<sup>69</sup> See: Ariel Li, "Building new bridges of friendship as a Taiwan Youth Ambassador in Nauru," *China Post*, 24 August 2012. <https://www.chinapost.com.tw/print/351977.htm> (Accessed October 23, 2014).

<sup>70</sup> Wen-lung Tao "Innovation: Breaking through Resource Constraints to Maximize the Benefits of Aid Work," Taiwan International Cooperation and Development Fund, 2014. <http://www.icdf.org.tw/ct.asp?xItem=14597&ctNode=30153&mp=2> (Accessed November 5, 2014).

<sup>71</sup> Fabrizio Bozzato, "Beyond the 'Taiwan Paradox': Expanding Taiwan's International Participation," *eRenlai*, 12 March 2013. <http://www.erenlai.com/en/extensions/how-pacific-asia-reinvents-itself/china-the-region-and-the-world/item/5274-beyond-the-taiwan-paradox-expanding-taiwan-s-international-participation.html> (Accessed November 6, 2014).

<sup>72</sup> Lowy Institute for International Policy, "In conversation: China's geo-strategic influence in the Pacific Islands," 15 May 2013. <http://m.lowyinstitute.org/news-and-media/videos/conversation-chinas-geostrategic-influence-pacific-islands-jenny-hayward-jones> (Accessed November 12, 2014).

pursued starting with some terminological and conceptual exegesis. The term ‘rivalry’ has often been used but rarely defined by international relations scholars. In most studies, the word ‘rivalry’ is tossed on the page without any theoretical questioning to label a situation in which two or more states compete over some stakes or contentious issues. The numerous analyses of the Cold War in terms of ‘superpower rivalry’ or ‘East-West rivalry,’ stand as prime examples of such usage. Hence, when employed as a synonym of competition, rivalry encompasses a wide variety of situations, including political parties competing in the same election, multinational corporations competing for the same market, and states competing for political influence in the same area.<sup>73</sup> Some authors have noted that the concept of rivalry seems to imply something more than competition. Rivals do not simply compete, they also perceive each other as enemies.<sup>74</sup> This is conceptually antithetic to the idea of synergy. Synergy comes from the Greek word *synergia*, meaning joint work and cooperative action. Synergy is created when things work in concert together to create an outcome that is in some way of more value than the total of what the individual inputs is.<sup>75</sup> In a nutshell, synergy is when the result is greater than the sum of the parts. There is an increasing recognition that synergistic functional effects are a fundamental aspect of virtually every scientific discipline, including political science.<sup>76</sup> The reason why the universality of this functional principle was not widely appreciated in the past is that synergy has travelled under many different aliases, including emergent effects, cooperation, symbiosis, a division of labor (or, more precisely, a combination of labor), holistic effects, mutualism, complementarity, even interactions and cooperation. Of course, it is one thing to recognize synergy as a ubiquitous phenomenon. It is another thing to assign to it a major causal / explanatory role in various domains, including international politics. This is what the Synergism Hypothesis encompasses. This theory challenges the dominant Neo-Darwinian (i.e. realist)

---

<sup>73</sup> David R. Dreyer, “Exploring the Concept of Rivalry: From India and Pakistan to the Yankees and Red Sox,” *Journal of Political Science Education*, Vol. 9, Issue 3, 2013, pp. 308-319.

<sup>74</sup> Robert E. Kuenne, “Conflict Management in Mature Rivalry”, *The Journal of Conflict Resolution*, Vol. 33, No. 3, September 1989, p. 558.

<sup>75</sup> See: Peter A. Corning, *The Synergism Hypothesis: A Theory of Progressive Evolution*, New York, McGraw-Hill, 1983.

<sup>76</sup> Peter A. Corning, “Synergy: Another Idea Whose Time Has Come?”, *Journal of Social and Evolutionary Systems*, Vol. 21, No. 1, 1998. <http://www.complexsystems.org/commentaries/jun98.html> (Accessed, 13 November 2014).

paradigm by shifting the emphasis and the explanatory focus from competition to cooperation (or, better said, competition via cooperation).<sup>77</sup>

From the point of view of synergism, for China and Taiwan it would be introversive and limiting to continue cooperating with the PICs only along the line of their diplomatic ties, thus excluding those states which have diplomatic relations with the other side. By contrast, coordination of Beijing and Taipei's regional policies would deliver multiple benefits to all actors. Notably, regional specificities are conducive to China-Taiwan cooperation because they favor the implementation of the 'first the easy, then the hard' model successfully adopted across the Taiwan Strait.<sup>78</sup> The PIR offers Beijing and Taipei the opportunity to implement confidence building measures, test cooperation models and develop new synergies and on a relatively small and low-risk scale. The lessons learnt and the confidence gained may benefit broader cross-Strait relations. Both sides should recognize the South Pacific may be an 'ocean of opportunity' where they can experiment in incremental cooperation between them and with the other regional actors.<sup>79</sup> The Pacific Islands region could become the testing ground for Cross-Strait coordination, cooperation, and confidence-building initiatives which, after being consolidated, could be implemented also in different regions and synergistically influence the overall development of relations between the two 'Pacific dragons'.

Cross-Strait synergistic cooperation in the PIR would actually be a triple-win option: Taiwan, China and the regional community would all benefit. *In nuce*, cross-Strait synergy is a triple-win policy because it would a) build trust across the Taiwan Strait; b) help Beijing and Taipei to strengthen their relations with the Pacific Island States; c) and enhance both the quality and the effectiveness of the aid that the region receives from China and Taiwan and regional stability.<sup>80</sup> Resultantly, China-Taiwan synergies in the South Pacific would be transformative of their regional as well as cross-Strait identities: According to constructivism, cooperation is a "process

---

<sup>77</sup> See: Peter A. Corning, *Holistic Darwinism, Synergy, Cybernetics, and the Bioeconomics of Evolution*, Chicago, University of Chicago Press, 2005.

<sup>78</sup> Steven M. Goldstein "First the Easy ... But When the Hard? Mainland Expectations and the Second Ma Administration. A Very Early Assessment", The Carnegie Foundation for International Peace Conference on Cross-Strait Developments: Election and Power Succession, Taipei, July 13 and 14, 2012.

<sup>79</sup> Epeli Hau'ofa, "Our sea of islands," in Vijay Naidu, Eric Waddell and Epeli Hau'ofa (eds.) *A New Oceania: Rediscovering our Sea of Islands*, Beake House, Suva, pp. 2-16.

<sup>80</sup> Wen-eh Chao, "Solutions for Cross-Strait Political Reconciliation and Cooperative Mechanisms: From Realism to Constructivism", *Modern China Studies*, Vol. 19, Issue 2, 2012, pp. 232-249.

of social interaction in which shared understandings of reality are produced and interests redefined - possibly leading to the development of a collective identity that ameliorates a security dilemma.”<sup>81</sup> Thus, the virtuosity of cooperation in the South Pacific would ignite a process of cross-Strait identity transformation.

Clearly, the coordination of programs and projects is a choice as well as a challenge. Working together towards a shared goal requires a shared vision, complementary interests and arrangements for efficient collaboration. Notably, the two sides have achieved significant results on non-conventional security issues.<sup>82</sup> In the light of such achievements, future cross-Strait cooperation in the Pacific Islands could occur via joint humanitarian and disaster relief initiatives, coordination of development projects, ocean management and governance of marine resources, green energy projects, foreshore protection in areas vulnerable to rising sea level, education and training programs, etc. Such initiatives would ideally be agreed and conducted at non-official level through the creation of ad hoc NGOs and agencies.<sup>83</sup> Cross-Strait cooperation in the PIR could be a very effective way to lay the groundwork for building greater trust and establish patterns of coordinated action that the two sides could implement in other regions. Trilateral cooperation could be the best way forward for creating cross-Strait synergies in the PIR. As highlighted by Denghua Zhang, “China has signaled a growing interest in cooperating in trilateral aid with traditional donors by increasing the number of aid projects in partnership with traditional donors and international organizations, and covering diverse areas such as agriculture, public health, education, environmental protection, and technical training.”<sup>84</sup> As noted by Zhang and Smith, “the South Pacific seems to be an important testing place for Chinese trilateral cooperation.”<sup>85</sup> During the Pacific Island Forum meeting in August 2012, at the request of the Cook Islands New Zealand and China entered into a unique partnership to improve water quality in Rarotonga, the most populous of the Cook Islands. This agreement has an historical salience,

---

<sup>81</sup>Max Tsung-chi Yu, “A Constructivist Take on the Strait”, *Taipei Times*, 16 June 2009. <http://www.acus.org/print/4293/> (Accessed, November 14, 2014).

<sup>82</sup> David Huang, “Conflict in cross-strait relations,” *Taipei Times*, 15 June 2013.

<http://www.taipeitimes.com/News/editorials/print/2013/06/15/2003564819> (Accessed November 9, 2014).

<sup>83</sup> See: Fabrizio Bozzato, “Swimming with Dragons: Cross-strait Waves in the South Pacific,” Pacific & Asian History Seminar presentation, Australian National University, Canberra, 29 July 2013. See also: Tsai-lung Hung “The Political and Economic Implications of the Cross-Strait Economic Cooperation Committee,” *Taiwan Brain Trust*, March 2011, pp. 1-3.

<sup>84</sup> Denghua Zhang and Graeme Smith, “China’s Evolving Aid Regime in the South Pacific: The scope of Chinese cooperation, its benefits and limitations, and possible motivations behind its expansion,” op. cit.

<sup>85</sup>*Ibid.*

because it was the very first time for China to enter in partnership with a Western country to deliver an aid and development project.<sup>86</sup> Also, after signing a memorandum of understanding on development cooperation in April 2013, Beijing and Canberra started conducting their first trilateral cooperation project on malaria research and prevention in Papua New Guinea. Thirdly, China and the United States have inaugurated trilateral agricultural development cooperation with Timor-Leste.<sup>87</sup>

This trilateral cooperation model could be adopted in the PIR by the two sides of the Taiwan Strait to create a synergistic feed-back between them. Contrary to conventional thinking and assumptions, the ‘One-China policy’ dogma would not be an insurmountable obstacle because the cooperation could be conducted at sub-official level by *ad hoc* entities - serving as Beijing and Taipei’s convenient avatars - and coordinated through the vehicular leadership of the developing country partner ensuring that the two said entities work together and not in parallel.<sup>88</sup> In addition, established donors like Australia, New Zealand or the European Union could act as facilitators and validators of the trilateral projects. Besides symbolizing and marking a great leap forward in cross-Strait relations, trilateral cooperation among China, Taiwan and a PIC (or a regional organization) would simultaneously enhance the two Asian players’ ‘brands’ in the region. More importantly, this model would offer a low-risk and low-sensitivity confidence building avenue at a phase in which cross-Strait cooperation cannot be pushed further or initiated in arenas like economic integration and military dialogue without touching an exposed political nerve (as shown by the April 2014 Sunflower Movement protest in Taipei).<sup>89</sup> In essence, trilateral cooperation in the Pacific Islands could become the boundary condition (i.e. the stimulus, catalyst, and initial condition) ‘sparking’ a cross-Strait synergy fractal.<sup>90</sup>

---

<sup>86</sup> Bruce Hill, “Chinese aid policy becoming more cooperative,” *ABC Radio Australia*, 5 February 2014. <http://www.radioaustralia.net.au/international/radio/program/pacific-beat/chinese-aid-policy-becoming-more-cooperative/1259904> (Accessed November 18, 2014).

<sup>87</sup> Denghua Zhang, “Growing Chinese Trilateral Aid Cooperation,” Australian National University, In Brief 2014/23, p. 1.

<sup>88</sup> Organization for Economic Cooperation and Development, “The Cook Islands Water Partnership - Triangular Cooperation between the Cook Islands, China and New Zealand: Lessons Learned,” 2014.

<sup>89</sup> Kelvin Choi, “Cross-Strait Relations after the Sunflower Movement,” *The Diplomat*, 21 July 2014. <http://thediplomat.com/2014/07/cross-strait-relations-after-the-sunflower-movement/> (Accessed November 20, 2014).

<sup>90</sup> Sui Fai John Mak, “Using Fractals to explain social interaction, synergy and life creation,” *LW*, 23 February 2011. <http://suifaijohnmak.wordpress.com/2011/02/23/using-fractals-to-explain-social-interaction-synergy-and-life-creation/> (Accessed, November 20, 2014).



### *5. Conclusion: When the Strait is an Ocean*

China and Taiwan's 'Pacific Island Crossing' and the forces of globalization have made the Taiwan Strait part of the Ocean: geopolitically, geo-economically and discursively. The cross-Strait dyad has become a strong player in the reframing and forming of the regional geopolitical ecosystem, identity, ethno-sphere and ecopoetics. In a context in which globalization is reshaping space, time and self, the circular currents linking the Taiwan Strait to the sea of islands' are informing not only the developmental dynamics but also the imaginary of the Pacific Islanders and their traditional partners and metropolises. While many Pacific Islanders increasingly 'look North' for possibilities of "casting away [...] dead boundary lines, false confinements into smallness, littleness, irrelevance, and global dependency"<sup>91</sup> and fresh foreign policy options, until recently Western officials and analysts have kept clinging to an obsolescent Asian-threat narrative revealing of the unease of actors losing their comfortable and exclusive status of regional custodians. The mantic voices denouncing the dangers and traps of Chinese and (in a less alarmist pitch) Taiwanese aid - assumingly creating only dependency and fostering corruption - are part of the negative discourse on China and Taiwan's presence in the Pacific constructed using multiple negative frames and misconceptions. Actually, "aid affects recipient economies in extremely complex ways and through multiple and changing channels. Moreover, this is a two-way relationship - realities in recipient countries affect the actions of aid agencies. This relationship is so intricate and time-dependent that it is not amenable to being captured by cross-country or panel regressions."<sup>92</sup> Being China and Taiwan deeply socialized into the PIR, the region's established powers need to pursue a more sophisticated understanding of the real drivers of China's recent activism in and Taiwan's evolving approach to the Pacific Islands in order to avoid counter-productive policies and assist the PICs in maximizing the potential economic and developmental gains. 'Including the Strait into the Ocean' does not necessarily

---

<sup>91</sup> Rob Wilson, "Towards an Ecopoetics of Oceania: Worlding the Asia-Pacific Region as Space-Time Ecumene," Keynote address for 21st Annual Conference, "Crosscurrents: New Directions in Pacific and Asian Studies," UH at Manoa School of Pacific and Asian Studies, 10 March 2010, p. 3.

<sup>92</sup> Sebastian Edwards, "Economic Development and Effectiveness of Foreign Aid: An Historical Perspective," *Eurasia Review*, 30 November 2014. <http://www.eurasiareview.com/30112014-economic-development-effectiveness-foreign-aid-historical-perspective/> (Accessed November 30, 2014).

pose a threat to Western and Pacific Island interests. On the contrary, it would be a way to liberate potentials for enhancing stability and development.

There is a need for a new fresh approach to the investigation of regional dynamics including China and Taiwan. Such an approach on the one hand should emphasize their contribution to regional development and stability, and point to ways in which the other regional stakeholders should cooperate with Beijing and Taipei in areas that support Pacific Island priorities rather than building any new security or diplomatic arrangements designed to contain them. Very opportunely, after denouncing the ambivalent China epistemology and perceptions in Western societies and academia, David M. Lampton - former president of the National Committee on United States-China Relations - said that “it is time to step back and look at where China is today, where it might be going, and what consequences that direction will hold for the rest of the world.”<sup>93</sup> The ‘black legend’ constructed under the illusion of countering China’s increasing status and influence on the Islands stage and cordon-sanitaireing Taiwan not only alienates Beijing and frustrates Taipei, but also hinders the possibility of collective and synergistic action with the China and Taiwan *in* and *for* the region. Ironically, the cross-Strait fish has the potential to capsize the South Pacific canoe only if the long-standing regional partners will not devise and implement a broad strategy of inclusiveness and further the integration of the into the Pacific Island system.

Given that both Beijing and Taipei have a set of interests in the Pacific Islands that are separate from their now-quiescent rivalry and have cultivated a versatile influence in the region, it is foreseeable that the two Asian powers will continue to be important actors regardless of the resilience of their diplomatic truce. The asymmetries and elements of diversity between the two sides of the Strait are substantial and multifarious: one is the supernova of the international system; the other is a highly-developed beautiful island with a complicated relationship with the Mainland. In the PIR they have a past marked by incensed diplomatic rivalry and a present of *de facto* coexistence. Their future interaction in the ‘sea of islands’ is open to different scenarios. Being the truce fundamentally a concession by Beijing predicated on concessions from Taipei, one possibility is that diplomatic stability could rapidly dissolve and the rivalry could return with

---

<sup>93</sup>David M. Lampton as quoted in: Chengxin Pan, “The ‘China Threat’ in American Self-Imagination: The Discursive Construction of Other as Power Politics”, *Alternatives*, Vol. 29, 2004, p. 305.

sudden rapidity. Another scenario is the continuation of the cross-Strait status quo in the PIR. However, such a situation could not be maintained indefinitely. The gravitational pull of China would eventually capture some of Taiwan's allies. But a third path could be taken: using the Ocean for creating cross-Strait synergies fostering confidence-building and empowering the Pacific nations in their transformational effort to resolve the dichotomy between vulnerability and resilience in their socio-ecological system. In Oceania's *ecumene*, the Yang becomes the Ying and the Ying becomes the Yang.