### The Far Flank of the Indo-Pacific: India and China in the South-West Pacific

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**Key Points**

- ASEAN is the top flank of the Indo-Pacific and the South-West Pacific forms its lower flank. Both are critical to the wider Indo-Pacific region.

- India and China are the two giants of Asia, each with populations of over one billion people, growth-driven strategies, inherent identity differences, colliding core interests and acute demand for supplies of energy and raw materials. These features have led them down a competitive path.

- China has been engaged in the South-West Pacific for a long time now. In the long run, however, its activities may lead to political, social and economic undercurrents.

- Future Assessments by the Indian strategic community indicate that increasing engagement in the South-West Pacific will require a fresh Pacific Policy. India has a lot to offer and this is now being recognised by the Pacific Island countries.

- India does not hold any strategic ambitions in the South Pacific. Consequently, its engagement there might become an area of co-operation, rather than competition, between India and China. The question remains, however, whether India would entrust its regional interests to a traditional competitor.
Summary

‘Traditionally, the South Pacific islands have been considered strategically insignificant. However, the need for resources, and the geopolitical shift towards Asia-Pacific have prompted nations to realise that these small island states control large resource-rich ocean areas and are increasingly geostrategic.’\(^1\) While ASEAN is the top flank of the Indo-Pacific region, the South-West Pacific forms the lower flank. Both are critical to the wider region, a globally important network of maritime markets and resources that underpins the future of global growth and stability. From the perspective of India, both flanks also need to be well connected and amenable to India’s interests. Whereas ASEAN is the centrepiece of India’s “Look East” policy, the South-West Pacific is the other major part of that equation. It must be addressed appropriately, if not equally, if India’s geostrategic interests are to be secured.

Analysis

With their growth-driven strategies, inherent identity differences, potentially colliding core interests and acute demands for energy supplies and raw materials, India and China, Asia’s two demographic giants, are seemingly set on a path of competition for access to resources and markets in various parts of the globe. There is, accordingly, a growing need for India to devise a Pacific Policy consistent with this reality, including a revision of the existing “Look East” policy, to manage India’s geo-strategic and geo-economic imperatives.

This paper also analyses China’s seemingly comprehensive geo-economic presence and its extensive activities in the South-West Pacific, which could prove a major obstacle for India in this emerging, high-value geopolitical region. Nevertheless, the pressing need for India is to have a fresh reformulation of its existing ties to this region, as the global system continues in its state of flux.

**China’s Pacific Policy**

For a long time, the rivalry between the People’s Republic of China (PRC) and the Republic of China (ROC) was one of the driving forces for Beijing’s engagement with the South Pacific Island countries. China’s gradual but steady move towards the South Pacific has been further determined by its diplomatic and strategic needs. By creating a sphere of influence in this region, China is possibly attempting to buy votes. Regardless of their size, the Pacific Island countries have equal voting rights in international fora, meaning that China could, potentially, tilt their votes in its favour to help meet its own national interests and aid in projecting its global power. One commentator said: ‘China aims at seeking military access in the South Pacific, most importantly for signal intelligence. For example, China built a satellite tracking station in Kiribati in 1997, which was subsequently dismantled after Kiribati switched diplomatic recognition to Taiwan. China is also seeking naval access to the region’s ports and exclusive economic zones, [and] engages in military assistance programmes.’\(^2\)

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In 2006, the coup in Fiji, which was condemned by Australia and New Zealand in particular, and Fiji’s subsequent expulsion from the Commonwealth of Nations, gave China an opportunity to forge closer ties with Fiji, taking advantage of Suva’s “Look North” policy. China’s robust Pacific policy may sooner or later pose challenges to Indian interests: ‘Chinese diplomacy, aid, economic interactions and manifestations of soft power have increased the country’s influence in the South Pacific region. By some accounts, China’s influence is already approaching that of traditional stakeholders Australia and New Zealand.’

Despite this trend, the unregulated nature of China’s foreign aid and business investments, although attractive to many Pacific Island states, may mean that its Pacific Policy produces political and social effects that affect the region’s peace and stability. On the other hand, the implications of increasing Chinese aid and trade in the region, as well as the perceived security challenges arising from them, have increased in importance.

**India’s Pacific Policy**

Former Indian External Affairs Minister S.M. Krishna has stated, ‘The “Look North” policy of the Pacific countries and the “Look East” Policy of India will dovetail to create new synergies, as Pacific Island countries are rich in natural resources and there is vast potential for co-operation in diverse spheres.’

India could take advantage of China’s declining image and use it to positively enhance its relations with the Pacific Island countries and be a contributor in maintaining stability, security and peace in this region. Thus, India is looking to augment relations with the Pacific Island countries in the spirit of South-South Co-operation. Indeed, in addition to Australia and New Zealand, India has already been collaborating with many of Pacific countries, including Tonga, Fiji and Papua New Guinea.

In keeping with its “Look East Policy” and economic liberalisation, India has engaged with regional groupings, such as the Association of South-East Asian Nations (ASEAN) and the ASEAN Regional Forum (ARF); also, at the 33rd annual Summit of the Pacific Islands Forum held in Suva in 2012, India was included as a Dialogue Partner. Such engagement is testimony to the fact that India is ready to look beyond its traditional foreign policy parameters. It is a move that has great potential for both India and the region.

India has a lot to offer, which is now being recognised by the Pacific Island countries and its diplomatic network is establishing more relationships in the South Pacific. The level of engagement between India and Tonga and some other South Pacific countries, has escalated in recent years. India has been providing a platform for diplomatic and military training.

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5 Sullivan and Renz, ‘Representing China in the South Pacific’.


7 Salil, ‘India, to the South China Sea and Beyond’.
programmes for these countries (only four Pacific countries have military forces), as well as supplying development aid.\textsuperscript{8}

India’s relations with the Kingdom of Tonga have gone from strength to strength, especially after the re-opening of the Indian High Commission in Suva, Fiji. India has provided defence training to the officer corps of the Tongan military and this programme should be expanded in scope to other ranks and also to include equipment transfer, especially for use in disaster relief and search and rescue operations. Although the two countries do not yet share significant trade and investment ties, India has provided critical infrastructure development aid.

Both India and Fiji are developing countries that share cultural and historical linkages. According to the Fijian High Commission in New Delhi:

In an increasingly inter-connected global environment, coupled with the rise of India as a global player, the broadening of bilateral relations is advantageous to Fiji, both in terms of Fiji’s international profile (engagement and partnership with a powerful global player) and Fiji’s economic prosperity. If Fiji can lay the foundations of a strong relationship with India, it will be in a favourable position to reap the benefits of India’s present and projected phenomenal growth.\textsuperscript{9}

In the case of the Solomon Islands, ‘India has been offering 15 scholarships to Solomon Islands under the Indian Technical and Economic Co-operation programme (ITEC). As part of Government of India’s Regional Assistance Initiatives for Pacific Island countries, grants-in-aid in 2008, 2009 and 2010 totalling to US$350,000 had been offered to Solomon Islands for the supply of equipment and materials for social programmes.’\textsuperscript{10}

An obvious feature of India’s relations with the countries in this area of the Indo-Pacific is the negligible amount of trade and commerce. This needs to be improved, especially in view of India’s profile as a fast-growing economy and its sustained development. Development of a network of manageable small markets and trade relations over this vast strategic region is now crucial for India.

Implications for Australia

Most of the bilateral relations that India previously forged with the island states of the South-West Pacific was subject to, and motivated by, the Cold War. But an emerging new epoch of global relations – the so-called Asian century – will demand a new approach. For India, failure to take the appropriate steps to expand its ties on this flank of the Indo-Pacific risks a loss of support in one of the biggest geographical spaces on the planet, one that is home to numerous small nations. This has a bearing on India’s role as a global power and its ability to respond and contribute solutions to challenges affecting security and development.

\textsuperscript{8} Ibid.
at home and abroad. Shoring up support in this part of the Indo-Pacific is as critical to India’s interests as the East African flank.

The other major power in this Asian century, China, has emerged from a continental focus to deploy a concerted diplomatic and strategic push among the island states of the South-West Pacific; initially as part of its efforts to secure diplomatic recognition at the expense of Taiwan (of the 21 countries that recognise Taiwan, six are located in the Pacific).

Australia has expressed some reservations about an assertive China in the South Pacific. China’s approaches in finance, investments and trade have caused concerns and have even been seen as challenges to Australia’s engagement in the region. In contrast, India’s enhanced diplomacy in the region does not seem to pose any further risks. India is the world’s largest democracy and has experience in letting open, democratic values guide its development. With these assets and the success of its efforts in alleviating poverty, India has a lot to offer. Greater engagement by India would share the burden of security and development in the South-West Pacific, leaving more opportunity for Australia to address its own challenges; India would very much complement and supplement Australia’s efforts.

**Conclusion**

Assessments by the Indian strategic community make strong recommendations for further engagement in the South Pacific, which would call for a fresh Pacific – if not Indo-Pacific – Policy. The issue, however, is still under discussion and deliberation. Some might be concerned about China’s reaction, since Beijing has been extremely wary of India’s growing involvement in the Asia-Pacific region; even more so now with the United States focussing on India’s emerging global strategic role. ‘Asia-Pacific is now the Indo-Pacific, a term underlining the centrality of India in the new calculus of regional power. The 2010 US Quadrennial Defence Review talked of India’s positive role as a “net security provider in the Indian Ocean and beyond.” India’s “Look East” policy, which envisions high-level engagement with “China-wary” nations, dovetails with the US policy of establishing closer ties with countries beyond traditional partners to maintain US predominance.’

Both Indian Prime Minister Manmohan Singh and his former Chinese counterpart, Wen Jiabao, have said they believe that there is enough space in the world for both countries to grow. Their convergence on issues such as climate change has produced positive outcomes in international fora and working together could only prove beneficial for both countries. If India does not hold any strategic ambitions in the South Pacific quadrant of the Indo-Pacific, then its engagement with the region might become an area of co-operation, rather than competition. The question remains, however, whether India would entrust its interests in

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the region to a traditional competitor. Both the Indian and Chinese Diasporas in this region will be instrumental in determining the relationship between their home countries.

As for India, it needs to extend its diplomatic presence as a step towards augmenting its relations. Currently, it only has diplomatic posts in Australia, New Zealand, Fiji and Papua New Guinea. Areas of convergence between India and the Pacific Island countries include climate change and security; India could also help to stabilise the situation within these countries, as some of them face internal challenges. While the Pacific Island countries lack economic volume and depth, more trade with India would provide a good platform for building economic ties and creating more numerous strategic partners. It might even blunt any potential future Chinese attempt at leverage against India.

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