

Pacific Partners Outlook

Volume II | Issue 9 | September 2012

Making Waves in Rarotonga: Clinton's Three Messages about U.S. Pacific Strategy

ELKE LARSEN

Elke Larsen is research assistant with the Pacific Partners Initiative at the Center for Strategic and International Studies in Washington, D.C.

September 6, 2012

Secretary of State Hillary Clinton sent a clear message August 31 by traveling to remote Rarotonga in the Cook Islands, a nation of approximately 17,000 people, for the Pacific Islands Forum (PIF): "Don't count the United States out." The PIF is a grouping of 16 self-governing states in Oceania that work toward shared goals such as sustainable economic development, environmental conservation, and regional integration. Since 1989, [13 partners](#) including the United States, plus the EU, have participated in a dialogue with the PIF following their annual forum. As the first U.S. secretary of state to attend the post-forum dialogue, Hillary Clinton has sent three strategic messages to the region.

First, Clinton's high-profile visit, which included among her delegation the head of the U.S. Pacific Command, Admiral Sam Locklear, sends a strong message that the United States has not forgotten its commitment to the Pacific in the "Pacific Century." It is another signal that the region is of growing significance as Washington rebalances its foreign, security, and economic policy toward Asia. Clinton announced a new aid package of \$32 million for the Pacific Islands that will be dedicated to new projects tackling issues such as climate change, marine protection, and sustainable development. That new aid comes on top of some \$330 million in U.S. annual aid to the Pacific countries, the recent opening of a regional U.S. Agency for International Development office in Papua New Guinea in 2011 and about \$100 million in military assistance.

Inside This Issue

THE WEEK THAT WAS

- Nauru and Manus Island detention centers to reopen
- New Zealand withdraws from Syria
- Pacific Islands Forum held in Rarotonga

LOOKING AHEAD

- Luncheon discussion on U.S. military policies in Australia
- University of Auckland Alumni and Friends reception
- TPP Speaker Series with John Manley

Making Waves in Rarotonga: Clinton's Three Messages *(continued)*

Clinton seized the opportunity presented by the PIF to expand coordination with regional partners [Australia](#), [New Zealand](#), [Japan](#), and France. Aid will become more coordinated under the auspices of the [Cairns Compact on Strengthening Development Coordination](#). Perhaps most important, the United States has launched an initiative to pool resources with these partners to address a key concern raised by the PIF, [the overexploitation of fisheries](#). Clearly, Clinton did not arrive at the PIF empty-handed: she has laid the foundation for an ongoing commitment to the Pacific that will last beyond the current administration.

The second message from Clinton's visit is about U.S. strategy toward China. Some media have speculated that Clinton's visit and the announcement of a new aid package were aimed squarely at China, suggesting that some kind of strategic competition is emerging in the Pacific. However, framing the China-U.S. relationship in the Pacific in this way is misleading. As Clinton said in her official press statement, "the Pacific is big enough for all of us."

It would be wrong to deny the Pacific Islands the opportunities that growing Chinese aid affords. China has historically offered approximately \$200 million a year in foreign assistance to the Pacific but may have become the largest regional aid donor in 2012 by providing a \$3 billion soft loan to Papua New Guinea to improve the [Highlands Highway](#). China provides vital capital for investments in infrastructure such as port facilities, airports, and roads that could help the Pacific Islands link to the global economy. In [Niue](#), for example, Chinese aid is expected to build infrastructure projects that will help launch the island's tourist industry.

From a U.S. perspective, the concern is not that the Chinese are active in the region, but that Chinese activity can undermine the larger interests of the United States and its regional allies. Clinton said in a [press conference](#) August 31 that the United States would like to see China give assistance in a more transparent and sustainable manner that keeps the well-being of the Pacific people and their environment in mind. It is in the U.S. interest that the Pacific Islands experience peace, stability, and economic development, the cornerstone of which is the practice good governance.



U.S. secretary of state Hillary Clinton greets Cook Islands prime minister Henry Puna upon her arrival in Rarotonga. http://www.flickr.com/photos/us_embassy_newzealand/7927929956/in/photostream/

Making Waves in Rarotonga: Clinton's Three Messages *(continued)*

Chinese aid that is not transparent undermines this goal by fostering corruption. Moreover, China's relationship with Fiji has been an important crack in the regional policy of isolation aimed at coercing Fiji's military regime to return to democracy. China has increased its assistance to Fiji at a time when the United States and most Western countries have shunned the military regime following a 2006 military coup.

It is clear from Clinton's statements that the United States is not seeking to stop China from interacting with the Pacific Islands but, instead, trying to encourage it to become a responsible stakeholder in the region. This should be viewed within the context of the larger U.S. strategy of pressing China to comply with the current rules-based system instead of eroding it.



A tuna fishing vessel. The United States has pledged to increase efforts to combat illegal unreported and unregulated fishing in the Pacific. http://farm1.staticflickr.com/115/287207541_17d7d9b1c9.jpg

Finally, Hillary Clinton's visit has lent legitimacy to the PIF, reinforcing its status as the premier intergovernmental organization in the Pacific. The organization's split with Fiji in 2009 undermined its prestige. As one of the largest and wealthiest islands in the Pacific, Fiji has traditionally been a logistical hub for the Pacific Islands, and regional economic integration agreements such as PACER Plus cannot be effectively negotiated without Fiji's participation. On top of that, since its suspension Fiji has successfully strengthened alternative organizations to the PIF, including the Melanesian Spearhead Group, which aims to improve economic cooperation between the most populous and resource rich-islands in the region, a goal that closely echoes that of the PIF. By recently hosting the "[Engaging the Pacific](#)" meeting series, Fiji has created opportunities to cooperate with its other Pacific neighbors and avoid the PIF's isolation policies. As several analysts [have noted](#), Fiji's suspension runs the risk of making the PIF obsolete.

From the U.S. perspective, the PIF needs to remain the premier grouping in the region because it is an organization in which the United States has access. Most important, key partners with which the United States shares interests in the region, Australia and New Zealand, hold significant sway in the PIF as founding members, in contrast to the Melanesian Spearhead Group in which their influence is minimal.

The secretary of state's landmark visit to Rarotonga was not simply an opportunity to announce new initiatives with remote islands in the Pacific; it reflected larger U.S. strategy in the Asia Pacific region. The

Making Waves in Rarotonga: Clinton's Three Messages *(continued)*

visit sent a clear message about how the United States envisages regional cooperation in Asia and, most important, signaled that Washington plans to play a role as a leader in the region for years to come. ▲

The Week That Was

AUSTRALIA

Nauru and Manus Island detention centers to reopen. Prime Minister Julia Gillard's government passed on August 14 a more stringent version of the previous Howard government's Pacific Solution in an attempt to deter the growing numbers of asylum seekers arriving in Australia by boat. So far in 2012, 7,983 asylum seekers have arrived on Australian soil, up from 5,465 in 2011. As part of the new legislation, the Nauru and Manus Island detention centers, which were closed in 2007, will be reopened in September.

Australia becomes first country to implement plain packaging for cigarettes. Australia became the first country to implement plain packaging laws for cigarettes August 14 in a stepped-up effort to get people to stop smoking. Cigarettes will be sold in olive green packages with graphic images depicting the health consequences of smoking. Global tobacco companies, including Philip Morris and British American Tobacco, challenged the law, arguing that it is unconstitutional to ban them from displaying their company logos. Similar legislation is being considered by Canada, the United Kingdom, and New Zealand.



A coal miner in Broken Hill, Australia. Debate sparked this month about whether the Australian mining boom is over. <http://www.flickr.com/photos/twobigpaws/183218638/sizes/m/in/photostream/>

Debate rages about whether Australia's mining boom has ended. The postponement and cancellation of several major mining projects in Australia have prompted a debate over whether the country's mining boom has come to an end. The termination of the projects has several causes: steeply falling prices of iron ore and coal, China's softening demand, a global increase of supply, and rising production costs in Australia. It is expected that falling mining revenues will hurt the government's budget, which has been relying in part on revenues from the Mineral Resource Rent Tax to secure a surplus. The move that attracted most attention was the indefinite deferral August 22 of BHP Billiton's \$20 billion Olympic Dam expansion project in South Australia that was slated to become one of the world's largest copper and uranium mines.

Australia's Afghanistan death toll rises. Three Australian soldiers were killed and two injured August 30 by a rogue Afghan soldier in what has been termed a "green on blue" attack. Prime Minister Julia Gillard said that the latest incident would not alter Australia's commitment to Afghanistan. Seven Australian soldiers have been killed by uniformed Afghan soldiers in the past 16 months.

NEW ZEALAND

New Zealand withdraws from Syria. New Zealand foreign minister Murray McCully announced August 22 that New Zealand would withdraw its three remaining military personnel from Syria the following day. The New Zealand soldiers have been in Syria for three months, and the United Nations security mandate that brought them to Syria expired August 19. Three other observers were withdrawn in late July when the UN mission halved its personnel in Syria. McCully said the withdrawal was necessary because the worsening violence was preventing New Zealand's personnel from fulfilling their mission.

Treaty of Waitangi raises questions about state asset sale. Questions surrounding Maori ownership of water have delayed the planned asset sale and partial privatization of Mighty Rivers Power, a hydroelectric and geothermal energy company. An interim report issued August 24 by the Waitangi Tribunal, a commission of inquiry charged with making recommendations on claims made by the Maori indigenous minority, said that issuing shares to Maori during the privatization would not fully recognize their water rights. In light of this report, the New Zealand government has agreed to delay the sale until March next year.

New Zealand will cohost Exercise Pacific Partnership. New Zealand in 2013 will cohost for the first time Exercise Pacific Partnership, an annual United States-led humanitarian relief exercise in the Pacific Islands. Other participants include Australia, France, and Japan. The exercise provides humanitarian support such as health and dental services to the Solomon Islands, Kiribati, Papua New Guinea, Tonga, Samoa, and the Marshall Islands. It also works to remove unexploded ordnance dating back to World War II.

PACIFIC ISLANDS

Pacific Islands Forum held in Rarotonga. The 43rd Annual Pacific Islands Forum (PIF) was held in Rarotonga, Cook Islands, August 27-31. The forum, built around the theme of "Large Ocean Island States," focused on a number of key issues, including the importance of a strong monitoring regime for fishing, and has prompted some states to declare marine reserves. The leaders also agreed that, to maintain the integrity of the PIF, Fiji's suspension from the grouping would continue until democracy was restored in that country.



NZ has withdrawn its remaining military personnel from Syria amid worsening violence.
<http://www.flickr.com/photos/78607708@N02/7805646016/>

Alotau accords bring reforms under O'Neill government in Papua

New Guinea. The O'Neill government in Papua New Guinea announced August 22 that it would enact significant reforms over the course of its five-year term to restore confidence in the national government. The reform program was agreed upon at the traditional gathering of parliamentarians to form a government at Alotau, Milne Bay, in late July. The agreement called for repealing the March 2012 judicial conduct bill that compromised the independence of the government's judiciary, strengthening the anticorruption task force, and ensuring that the Esso-Highlands LNG project will begin production by its 2014 deadline.

Tuvalu backs away from Iranian oil tanker controversy. Tuvalu on August 16 deregistered as many as 22 Iranian oil tankers that had been registered to its flag to circumvent United Nations sanctions imposed to press Iran to abandon its uranium enrichment program. The move followed by two days a call by U.S. House Foreign Affairs Committee ranking Democrat Howard Berman urging President Barack Obama to take strong measures against Tuvalu to force it to end the practice. Various news sources began reporting in June that Iranian tankers were avoiding UN sanctions by registering their ships to Tuvalu. ▲



House Foreign Affairs Committee ranking Democrat Howard Berman called for a strong stance against tiny Tuvalu for allowing Iranian oil tankers to fly its flag. <http://www.flickr.com/photos/breadfortheworld/3962954299/sizes/m/in/photostream/>

Looking Ahead

Australian modern art exhibit: “Shifting Geometries.” The Australian embassy in Washington, D.C., is hosting “Shifting Geometries,” an exhibit of new and recent abstract contemporary artworks by 10 prominent Australian artists. The collection can be viewed by the public at the Australian Embassy, 1601 Massachusetts Ave., N.W. The exhibit is open weekdays until September 14 from 10.00 a.m. to 2.00 p.m. For more information, please click [here](#).

Luncheon discussion on U.S. military policies in Australia. Georgetown University’s Center for Australian and New Zealand Studies and the Women’s National Democratic Club will jointly host a luncheon discussion September 11 on U.S. military policies in Australia. The luncheon will feature Sue Wareham, M.D., a recipient of the Medal of the Order of Australia for “service to the community and the peace movement,” who will discuss her thoughts on the United States as part of a wider global community. The event will take place from 11.30 a.m. to 2.00 p.m. Please RSVP [here](#).

University of Auckland Alumni and Friends reception. Associate Professor Bernadette Luciano, Associate Dean International, will host a reception September 13 for University of Auckland Alumni and Friends featuring an address by New Zealand Fulbright Senior Scholar Jennifer Curtin on the role of rugby as New Zealand’s “unofficial religion.” The event will take place at the Georgetown University School of Foreign Service from 6:00 p.m. to 8.30 p.m. Please RSVP [here](#).

14th round of Trans-Pacific Partnership (TPP) negotiations. Trade negotiators will meet for the 14th round of TPP talks in Leesburg, Virginia, from September 6 to 15. A Direct Stakeholder Engagement Forum on September 9 will give stakeholders an opportunity to raise questions and share their views with negotiators and embassy officials. For more information and the latest TPP updates, please click [here](#).

TPP Speaker Series with John Manley. The CSIS Southeast Asia Program and CSIS Scholl Chair in International Business will host on September 20 a discussion with John Manley, president and CEO of the Canadian Council of Chief Executives and former deputy prime minister of Canada, on Canada’s agreement to join TPP discussions. More details to come.

Lecture: “Unraveling of Pax America?” Georgetown University’s Center for Australian and New Zealand Studies and Center for Security Studies will host on November 8 a talk by Alan DuPont, director of the Center for International Security and Development Studies at the University of New South Wales, Australia, on how global geopolitical conditions are shaping a new world order. The event will take place from 12:00 p.m. to 1.30 p.m. For more information, please click [here](#). ▲

PACIFIC PARTNERS OUTLOOK

CSIS Pacific Partners Initiative contributors:

Ernest Bower, Codirector

Michael Green, Codirector

Murray Hiebert, Senior Fellow and Deputy Director

Elke Larsen, Research Assistant

Maria English, Researcher

For more details on our programs and to follow CSIS with real-time updates, follow the CSIS Pacific Partners Initiative:



On Facebook at <http://www.facebook.com/csispacificpartners>



On Twitter at [@PacPartnersDC](https://twitter.com/PacPartnersDC).



On our blog, [cogitASIA](http://cogitASIA.com) at <http://cogitASIA.com>

Thank you for your interest in U.S. policy in Asia and the Pacific and the CSIS Pacific Partners Initiative. Join the conversation!

This newsletter is published by the Pacific Partners Initiative (PPI) at the Center for Strategic and International Studies (CSIS) in Washington, D.C., a private, tax-exempt institution focusing on international public policy issues. CSIS's research is nonpartisan and nonproprietary. CSIS does not take specific policy positions; accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s).

© 2012 by the Center for Strategic and International Studies. All rights reserved.