

China's Motives in Providing Foreign Aid in the South Pacific Region

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ABSTRACT

Development assistance is now a prevalent tool for foreign policy. As one of the world's largest economies, China is also an active donor of foreign aid. The South Pacific region is one of China's foreign aid destinations. This study focuses on the motives behind China's provision of foreign aid to the South Pacific during the Xi Jinping administration from 2013 to 2021. It uses the theory of Aid Allocation motives to explore China's politics, economics and humanitarian motives. The results of this study show that the strategic region of the South Pacific has prompted China to provide huge amounts of foreign aid.

Keywords: China, Foreign Aid, Motives, South Pacific.

Published Online: July 04, 2023

ISSN: 2796-1176

DOI: 10.24018/ejpolitics.2023.2.4.92

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I. INTRODUCTION

To achieve the SDGs or Sustainable Development Goals by 2030, many developed countries send aid to developing countries. This aid, which can be in the form of funds or equipment, is ideally given to developing countries to help them improve their economies (Lengauer, 2011). However, the donor (a country providing foreign aid) can pursue its national interest through the foreign aid it provides. Therefore, foreign aid can be used as one of the tools of the donor's foreign policy (Lancaster, 2007). Although both parties (donor and recipient) must agree on the amount of aid to be given and received, in most cases, donors usually make some conditions before the aid is given.

Although China is a developing nation, it is one of the countries actively helping other countries through foreign aid. This has led to China being called an "emerging donor". Simply put, emerging donors also known as developing countries are still receiving foreign aid, but have also started providing their own foreign aid. Even if they are described as "emerging donors", some are not in fact "new actors" in terms of development assistance. For example, China has been providing foreign aid to Africa since the 1950s (Woods, 2008). Furthermore, China was also the recipient of foreign aid from Japan from 1979 to 2018, with the total amount received during this period amounting to 3.65 trillion yen (Tribun News, 2018).

In recent years, the South Pacific has become a destination for China's foreign aid. The South Pacific region itself is located in the southern part of the Pacific Ocean, and most of its territory consists of bodies of water with relatively little land mass. This region has deep ties with Western countries, and the South Pacific region was originally a colony of Western countries. During World War II, the area was used as a military base and trade route. Most of the countries in the region then gained independence after the second wave of decolonization in 1960. The South Pacific region consists of 16 states: Australia, New Zealand, Papua New Guinea, Fiji, Solomon Islands, Micronesia, Samoa, Vanuatu, Kiribati, Tonga, Cook Islands, Marshall Islands, Tuvalu, Palau, Nauru and Niue. This paper will focus on the Pacific Island Countries, namely the 14 countries in the South Pacific region excluding Australia and New Zealand.

In contrast to Australia and New Zealand, the South Pacific Island nations have low economic levels. The economies of the island nations of the South Pacific are also heavily dependent on other countries. Although these countries were already independent during the second wave of decolonization, in practice they were not always economically independent. These emerging countries struggle to sustain and meet their economic needs. Many factors, both international and domestic, make these new nations economically dependent on others and cannot exist alone. To survive is to receive foreign aid from developed countries. Unfortunately, the foreign aid that these regions received since decades ago has yet improve their economic development. Foreign aid in these areas is primarily expendable (for example, payments to public officials). Therefore, these countries are lacking capital to boost economic growth. Before China's appearance in the South Pacific region, the Pacific Island nations already received foreign aid from Western countries such as the United States, New Zealand, Australia, European countries, and several other international

organizations such as the World Bank. According to Lowy Institute records, China allocates her \$2.11 billion in foreign aid funds to the South Pacific region (Lowy Institute, 2021). This makes China the third-largest donor in the South Pacific after Australia and New Zealand, the top two, followed by the United States and Japan in her fourth and fifth place. As an emerging donor, studying China's foreign aid to the South Pacific region has become increasingly interesting. The Pacific Island nations are small market, with few hundred thousand population, limited natural resources, making it less attractive for foreign investment compare to African nations. This led to an interest in China's motives to provide aid to the Pacific Island nations and the strategic importance of these nations.

II. THEORY

According to David Sogge, there are three main motives that can drive countries to provide foreign aid. Sogge classifies these three motives into political, economic and humanitarian (Sogge, 2002). Political motives are often used to influence host countries and are closely related to diplomacy. Sogge argues that political motives are intended to sustain good relations between donors and recipients in the short term and then become a pillar of the problem and influence decisions made in the domestic and the international arena. On the other hand, in the long run, political motives facilitate donor participation in the recipient countries' policy-making, influence political and military systems, and acceptance of doctrine or development model.

The second motive is the economic motive. Foreign aid is seen as a means of maintaining good trade relations. In the short term, economic incentives are intended to be a means of expanding donor market opportunities in beneficiary markets and promoting the corporate sector both in imports and exports. And in the long run, economic motives can be a means to protect, expand, and win competition in commercial markets. In addition, long-term economic incentives are also aimed at securing and procuring raw materials and natural resources from recipients and obtaining cheap labor.

The humanitarian motive is usually used to show the donor's concern for the recipient given as humanitarian aid in the aftermath of a humanitarian crisis, natural disaster, disease, or war. According to Sogge, this motive is based on the altruism paradigm. In the short term, humanitarian motives are used to show sympathy or concern for recipients who need humanitarian assistance. Then in the long term, humanitarian motives are related to reducing poverty, supporting human rights, and for the donors it can be a means to show the moral foundation or beliefs that they uphold.

III. METHOD

The method of this study is based on David Sogge's theory on analyzing state's motives to providing foreign aid. This study is analyzing China's motives in providing aid for South Pacific Region through its political motives, economic motives, and humanitarian motives.

The research method of this study is qualitative-descriptive method which describes and explains motives that drive China's foreign aid in the South Pacific Region. The primary data sources rely on literature review (such as books, journals, and other scholars' study), news, and government/organizations website.

IV. DISCUSSION AND ANALYSIS

The study will see three possible motives of Chinese Foreign Aid in South Pacific Region based on David Sogge's Theory: Political Motives, Economic Motives, and Humanitarian Motives.

A. Political Motives

The first indicator of political motives according to Sogge is the intervention. In this case, intervention can also be interpreted as the influence exerted by China in the decision-making of Pacific Island Countries. The principle of the China's foreign aid is to uphold the independency of the recipient country and not to intervene in its internal affairs. Even so, there was one of the conditions that China gave before providing its foreign aid, namely the One China Policy. This policy demands that a country that wants to have a foreign aid from China must consider Taiwan as part of China and not recognize it as a country, and reject or cut ties with Taiwan.

As a result of this policy, Taiwan has so far struggled to gain diplomatic recognition from other countries. In 2019, two Pacific Island countries that had diplomatic relationships with Taiwan previously, which are Kiribati and the Solomon Islands, decided to turn to China. In this case, the severance of relations between the Solomon Islands and Kiribati with Taiwan was encouraged because China's offers of diplomatic relations were considered more tempting. China offers financial assistance, investment, trade and infrastructure development which are considered better by these two countries.

Before deciding to turn away from Taiwan, the Solomon Islands Government's decision was based on a report from the Solomon Islands Bi-Partisan Task Force. In its report, the Bi-Partisan Task Force said that while establishing diplomatic relations with the Solomon Islands, Taiwan did not plan that it would do anything substantial in building infrastructure in the Solomon Islands (the Bi-Partisan Task Force, 2019). This infrastructure development is considered very important for the Solomon Islands because inadequate infrastructure is seen as an obstacle in carrying out the country's development. Manasseh Sogavare, Prime Minister of the Solomon Islands, also expressed his disappointment at Taiwanese investors who for the past 36 years have shown little intention to invest in developing the Solomon Islands economy (Solomon Times, 2019). Most of the investments made are only for Taiwan's political interests. Therefore, the existence of the Belt Road Initiative (BRI) project from China according to the Bi-Partisan Task Force could be an opportunity for Solomon Islands to implement its National Development Plan.

The Bi-Partisan Task Force also revealed that there are geopolitical factors in the South Pacific region. The Solomon Islands assumes that as an archipelagic country, it will be influenced by the power and agenda of the big countries' interests. China's entry into the region has created a dominance competition with western countries such as Australia, New Zealand and the United States. In this case China is considered as one of the substantial powers in the dominating South Pacific region. The Solomon Islands usually rely on big powers such as Australia to guarantee their economic development and security (Putri, 2019). However, in the last few decades, according to the Solomon Islands, there has been a shift in hegemony to China from the Western countries (Australia and United States), especially in the Asia-Pacific region. Therefore, the Bi-Partisan Task Force encourages the Solomon Islands government to reassess its position in the current global context.

What's interesting is how Kiribati tugs between China and Taiwan. Initially, Kiribati had diplomatic relationships with China in the 1980s. At that time, China launched a satellite monitoring station for China's space program in Kiribati. However, in 2003 Kiribati also entered into cooperation with Taiwan. Although China did not directly sever its ties with Kiribati, but it did suspend its relations with Kiribati after attempt to lobby then-Kiribati President Aote Tong to think it through.

In 2019, Kiribati switched its diplomatic relationships from Taiwan to China. This indicates that Kiribati decided to fix its relationship with China and sever all ties with Taiwan indirectly. It is known that the President of Kiribati, Taneti Mamau, has started to re-engage with China since 2016. Before deciding to restore its relations with China, President Mamau asked Taiwan for assistance to buy airplanes for commercial purposes (Taiwan Today, 2019). However, Kiribati's request was rejected by Taiwan because Kiribati's request was not in accordance with the principles of the Taiwan International Cooperation and Development Act and suggested providing assistance in the form of concessional loans. But Kiribati rejected Taiwan's suggestion of this concessional loan and insisted it should be in the form of a grant. Another factor that also makes Kiribati turn away from Taiwan is the benefits that Kiribati gets through the fisheries sector from China as its main importer (Taiwan Today, 2019). China's rapprochement with Kiribati was followed by Kiribati's request to obtain a loan and an aircraft from China.

Beside China's rivalry with Taiwan, China also has a contention with the West. Currently, China has successfully established diplomatic relations with 10 South Pacific countries, namely Fiji, Vanuatu, Samoa, Tonga, Niue, Cook Islands, Papua New Guinea, Micronesia, Kiribati and the Solomon Islands. If you pay attention, this diplomatic relationship forms a "blockade" which is China's strategy to isolate Australia (Putri, 2019). In the West, China has succeeded in creating a pro-Beijing bloc through its diplomatic relations with Fiji, Vanuatu, Tonga, Samoa and Niue. While in the north there are Papua New Guinea and Indonesia which also have close relations with China. This blockade was further exacerbated after the Solomon Islands decided to join the pro-Beijing bloc, which geographically would hinder Australia's access to the Asia-Pacific region from the north and west (Putri, 2019).

Geopolitically, this blockade is very detrimental to Australia and the United States if war or military issues break out in this region later, considering that Chinese military ships have entered the South Pacific region. The blockade blocked Australia's sea route to the United States. In addition, the United States will find it hard to get the foothold (land) that needed in the South Pacific region because most of this area is water. Even though land territory is said to be the door to victory in war because the central of a country is on land, but control over seas can make control over land easier to achieve (Snyder, 1999). Strategically, it is also said that the sea has two functions, namely during times of peace the sea can become a trade route to boost the economy, and during times of war the sea can attack the opponent's trade routes (Snyder, 1999). The author believes that control over the sea is what China wants to pursue so that geopolitical rivalries arise with western countries in the South Pacific region.

It is known that China will also provide funds to build telecommunications infrastructure in Papua New Guinea with a 5G network. This is worrying for Australian cyber security because Papua New Guinea is close to Australia. China is indeed assisting the Pacific Island Countries to develop the communications sector, namely with a network of cables under the sea. The United States considers that this project was carried out by China to dominate telecommunications in the South Pacific region with the main goal of

having control over the region's infrastructure and stealing information and data (Puspaningrum, 2020). The United States and Australia also often warn and give warnings to Pacific Island countries so they are not easily tempted to accept financial assistance from China.

The geopolitical competition in this region is heating up, after it was speculated that China is currently building a military base on a large vacant land in Vanuatu. China provided financial assistance to build a large wharf in Vanuatu. This project is suspected of being a dual project to also build a China's military base (Gunawan, 2021). This was strengthened because it was known that the Chinese People's Liberation Army (PLA) delegation had visited the Pacific Island Countries 24 times in the period from 2006 to 2019 (Gunawan, 2021). In 2017 China also provided 14 military vehicles to Vanuatu and 10 armored vehicles to Papua New Guinea (Wroe, 2018).

Then in April 2022, surprisingly the Solomon Islands also signed a Security Cooperation Pact with China. This Security Pact contains the Solomon Islands agreement which can request China to send police, military and naval vessels to the Solomon Islands region and send ships to stop and replenish supplies as a form of supporting stability in the Solomon Islands in the long term (DW, 2022). However, it is not yet known whether this pact also includes the construction of China's military bases in the Solomon Islands.

In addition, currently, the United States is also in the negotiation stage to renew the Compact of Free Association (COFA) agreement with three South Pacific Island Countries, namely Micronesia, Marshall Islands, and Palau, which will expire in 2023 and 2024. COFA allows these three South Pacific countries to get funding assistance over 15 years period and provide access to be able to enter the United States domestic programs. People from the three countries can also live and work in the United States, and vice versa. COFA provides access to the United States to be able to operate their military and obtain areas to use as military bases in the three South Pacific countries on condition that nuclear, chemical or biological weapons are not allowed. Instead, the United States has responsibility for protecting the three countries and managing their international defense affairs. This is what allows the United States military to move in and out of the South Pacific region.

By not continuing COFA, this will be baneful to the geopolitics of the United States because it has to withdraw its military forces in three areas of the South Pacific. In this regard, China is also always trying to find ways to strengthen its position and establish diplomatic relationships with many countries in the South Pacific region. It is known that currently Micronesia has established diplomatic relationships with China, while the Marshall Islands and Palau are still pro-Taiwan.

On the COFA extension negotiations, the Marshall Islands and the United States had differences of opinion. In negotiations with Marshall Islands, the United States rejected to involve the Marshall Islands in dealing with the aftermath of their nuclear tests in the 1990s (Lee & Perry, 2021). This nuclear test had an impact on one of the Marshall Islands areas, namely Bikini Atoll, which had to be abandoned and the cancer rate of its people continued to rise. This can be an opportunity for China to enter and establish diplomatic relations with the Marshall Islands. China's intention to establish relations with the Marshall Islands is also supported by a statement of the Chinese Ministry of Environment which said that, China welcomes and is willing to engage with the Marshall Islands and other Pacific Island Countries to improve the economy and quality of life between the two sides (Lee & Perry, 2021).

Meanwhile, Micronesia openly said it would maintain relations with China. However, Micronesia will also welcome international cooperation or assistance, one of which is from the United States. In the midst of this competition, Micronesia is currently also facing a domestic issue, namely the independence referendum for Chuuk, a state in Micronesia. This referendum has been an issue in Micronesia since 2015. The Chuuk alone account for half of Micronesia's population. In this case, China took advantage of the situation by sending US\$50 million in aid to build roads in the Chuuk region (Lee & Perry, 2021). If this referendum is approved, it is estimated that Chuuk will be more inclined to choose China to get more aid and investment. However, Robert Riley, United States Ambassador, said that COFA would not be extended to Chuuk if it separated from Micronesia (Lee & Perry, 2021). This caused some Chuuk citizens who worked in the United States to reject this independence. Even so, this case of course still has the potential to happen considering that this referendum has been discussed for a long time and China's economic power which can later support Chuuk through the foreign aid that given to them.

China's foreign aid is very large in number, even in a few years the amount of assistance that it has issued can rival western countries. Even so, some views consider that the foreign aids supplied by China pays little attention to the ability of the Pacific Island Countries to repay the loan assistance. It is feared that the inability to repay this loan will cause the Pacific Island countries to fall into debt trap diplomacy, so that the debt-ridden countries will fall under Chinese rule. It is feared that this debt will become a loophole to control politics in the South Pacific region, undermine regional stability, and only create dependency.

Several Pacific Island countries are known to have sizable debts to China and are at risk of being entangled in China's debt trap. Some of these countries are including Vanuatu, Samoa, and Tonga. The latest data on the amount of Vanuatu's debt in 2018 to China is US\$ 220 million (Wroe, 2018). Meanwhile, Vanuatu's GDP is US\$881.5 million based on data from the World Bank. The same thing also happened in

Samoa. Samoa has a debt of US\$410 million to China with a total GDP in 2020 of US\$ 807 million (Feagaimaali'i-Luamanu, 2018). Meanwhile, Tonga owes China US\$108 million with an annual GDP of around US\$488.8 million in 2020 (Field, 2022). The debt of the Pacific Island Countries will also make it difficult for them to be able to develop their economy because their income will also be allocated to pay off this debt. This makes many people worry about the stability of this region.

Even so, China denied any intention to ensnare the Pacific Island Countries by using their debts. The terms and accusations of debt trap diplomacy are seen as a campaign by Antony Blinken, the US Secretary of State, to damage China's reputation. The issue of debt trap diplomacy also has no evidence that China is deliberately pushing these low-income countries into debt to seize their assets (Xinhua, 2021). This is also supported by a statement from Deborah Brautingam, Professor at Johns Hopkins University and the Founding Director of the China-Africa Research Initiative, who said that there was no evidence that China had seized other countries' assets due to default on loans after examining Chinese loan documents (Xinhua, 2021). China stated that they would not discriminate between their cooperation partners (Xinhua, 2019).

The second indicator of political motives is China's political cooperation with Pacific Island Countries. The diplomatic relations that have been established amongst China and the Pacific Island Countries through the foreign aid are also the cooperation of the two parties. China believes that foreign aid can not only benefit one party, but also can mutually benefit the donor and the recipient countries. Therefore, the relationship established through foreign aid between China as a donor country and Pacific Island countries as recipients indirectly also forms cooperation. One of them is by creating the China-Pacific Island Economic Cooperation and Development Forum.

China's diplomatic relations with the Pacific Island Countries are also very beneficial for China to get support on several issues at hand. In addition to getting the support of Fiji and Samoa when dealing with human rights issues in Tibet in 2008, during Xi Jinping's leadership, China also received support from Vanuatu for its position when facing the South China Sea conflict in 2016. In the same year, China also getting support from Papua New Guinea on this South China Sea issue. The Prime Minister of Papua New Guinea conveyed his respect for China's position in the South China Sea.

The third indicator of political motives is the access granted by Pacific Island Countries for China. Indirectly, the foreign aid that received by the Pacific Island Countries provides its domestic access for China. One of the accesses given is access to Chinese entrepreneurs to be able to open their business in Pacific Island countries. In addition, it is known that development originating from the China's foreign aids is usually operated or assisted by companies originating from China (Zhang & Lawson, 2017).

Until now there are 18 major development projects, such as the construction of roads, bridges, telecommunications, and ports, which are being built by construction companies from China, namely, the China Civil Engineering and Construction Corporation, the China Harbor Engineering Company, and the China Railway Corporation Group (Lowy Institute, 2021). This opportunity allows China to gain access to send its workers to Pacific Island countries. For example, Chinese Civil Engineering and Construction Corporation dominate China's foreign aid projects in Cook Islands and Tonga (Zhang & Lawson, 2017). In addition, China's diplomatic relationships with these Pacific Island countries also provide access for China to be able to establish its embassy. To date, there are three Chinese embassies in Pacific Island Countries, namely in Fiji, Kiribati and Micronesia.

As previously mentioned, diplomatic relationships with Pacific Island countries also allow China to send aircraft carriers and military forces to the region. After the ratification of the defense pact between the Solomon Islands and China, China's military access in the South Pacific was increasingly wide open. The pact allows the Chinese military to enter the Solomon Islands, which means also into the waters of the South Pacific.

B. Economic Motives

During Xi Jinping's leadership, China's foreign aids economic motive for the South Pacific was motivated by the desire to realize the project that initiated in 2013, namely the "Belt & Road Initiative" (BRI) or also known as "One Belt One Road" (OBOR). The OBOR project refers to build a trade silk road. In general, there are three silk roads of this OBOR project; first, the road that connecting China through Central Asia and Russia to Europe (Baltic Sea); Second, the pathway from China through western and central Asia to the Mediterranean and the Persian Gulf; and the third starts from China through Southeast Asia and South Asia to the Indian Ocean. This project also has a maritime silk road; the first, which stretches from ports on the Chinese coast to the South China Sea to the Indian Ocean, then extends to Africa and Europe; and the second one from Chinese coastal ports to the South China Sea to the Pacific Ocean (Huang, 2016).

The objective of the construction of these silk roads is to maintain its economic growth by exploring new forms of economic cooperation with new international partners and asserting greater international influence and contributing to international economic development (Huang, 2016).

Simply put, this project will create a giant market for China and other countries. To make the establishment of the OBOR project successful, China will provide foreign loans to countries that enter the

silk roads to build adequate infrastructure such as creating new ports. The South Pacific region then also entered the maritime silk roads. The diplomatic relations that established amongst China and the Pacific Island Countries through the foreign aid also aim to expand the Chinese market and improve export and import trade relations between the two parties. This expansion is related to the expansion of businesses from China to be able to penetrate the South Pacific region.

According to Sogge, expansion is a short-term economic motive. Meanwhile, the economic motive in the long term is an increase in trading activity or exports and imports. In this case the author will explain the export-import conditions amongst China and the Pacific Island Countries that are developing from China's business expansion.

It can be said that export-import between China and the Pacific Island Countries is also one of China's main interests. During his first trip to the South Pacific region, President Xi Jinping and leaders of other PIF countries discussed exports-imports and the elimination of import tariffs for Pacific Island countries that have relationships with China.

One of the biggest trading partners of PIF countries is China. In 2017, China's total trade with PIF reached US\$ 8.2 billion (Mayck *et al.*, 2018). This figure has increased drastically, even surpassing the United States and Australia. China's export and import figures to PIF countries also jumped to reach US\$ 4.7 billion for exports and US\$ 3.5 billion for imports (Mayck *et al.*, 2018). In the following, the author presents data on China's annual exports to nine countries that have diplomatic relationships with China.

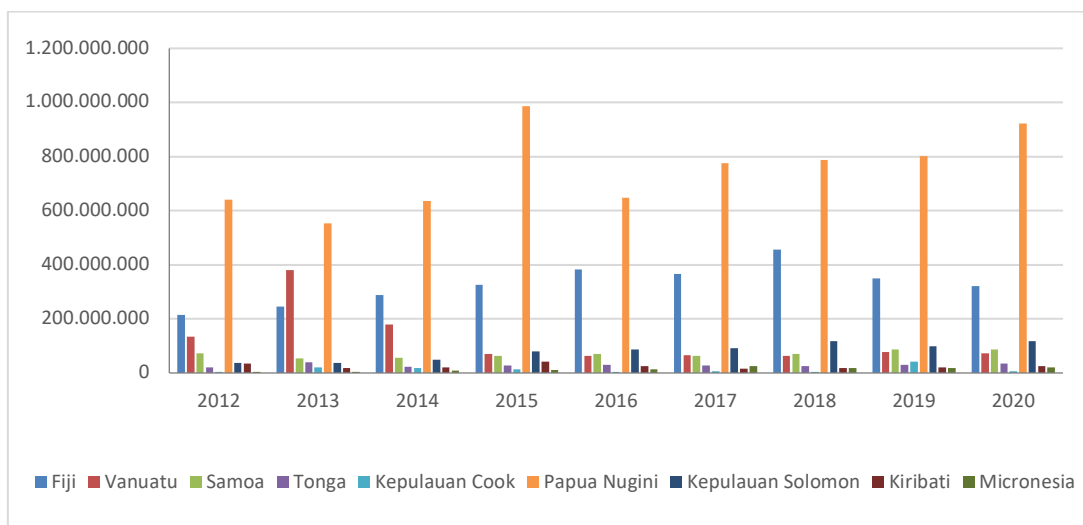


Fig. 1. Total Chinese Exports to Pacific Island Countries (2012-2020). (Results processed by the author from United Nations Comtrade Data).

If you look at Fig. 1, China's highest annual exports are exports to Papua New Guinea and Fiji. The average annual China's exports in 2012-2020 to Papua New Guinea and Fiji were US\$ 750 million and US\$ 327 million, respectively. The amount of China's exports to Pacific Island Countries from 2012 to 2020 is relatively stable. China's main export commodities are capital goods, machinery and electronic goods, consumer goods and intermediate goods.

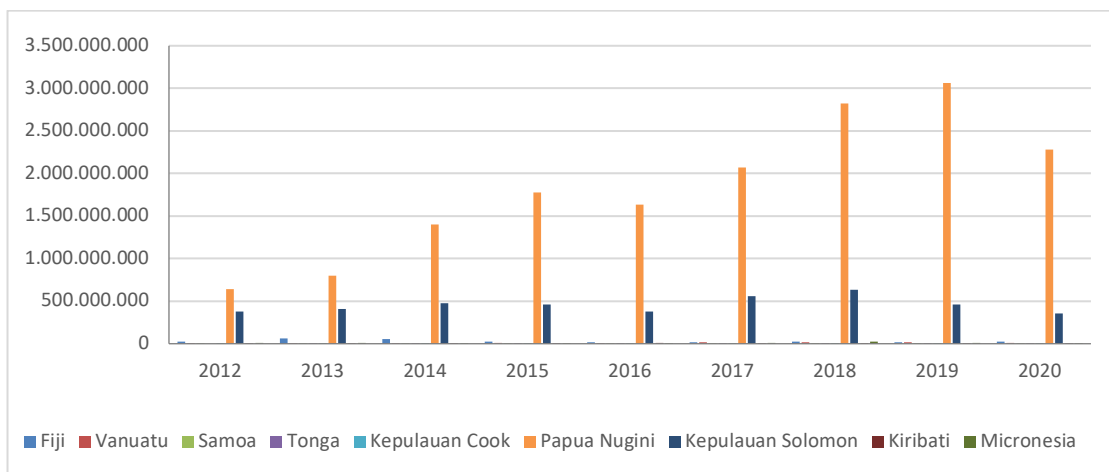


Fig. 2. China's Imports to Pacific Island Countries (2012-2020). (Results processed by the author from United Nations Comtrade Data).

In comparison, China's import figures from Pacific Island countries have a fairly large comparison with their exports. Import activities carried out by China are dominated from Papua New Guinea. It can be said that this trade relationship is used by China to supply natural resources to be imported from Pacific Island countries which are known for their raw natural resources. Papua New Guinea is a Pacific Island country that has abundant energy reserves. Therefore, Papua New Guinea's main import commodity to China is oil and gas, followed by other raw materials such as minerals and wood. Based on data obtained from the World Integrated Trade Solution (WITS), in 2019, oil contributed US\$ 1.6 billion to the total value of China's imports from Papua New Guinea. China's average imports from Papua New Guinea from 2012 to 2020 were US\$ 1.8 billion. China's second largest import to the Pacific Island Countries is the Solomon Islands. China's main import commodities from the Solomon Islands are wood and other raw materials and the average China's import from the Solomon Islands from 2012 to 2020 was US\$ 455 million.

The large amount of China's oil and gas imports from Papua New Guinea is proof that one of China's foreign aids goals are to gain access to energy resources. It is well-known fact that since 2013 China is one of the largest oil and gas importing countries. In 2009, at the beginning of the influx of China's foreign investment and aid in the South Pacific region, China signed a long-term agreement with Papua New Guinea regarding oil and gas. Papua New Guinea agreed to supply about 2 mmtpa of oil and gas for 20 years for China (Jaganathan, 2018). In this case, China and Papua New Guinea also quite often sign other agreements besides the agreement to meet China's oil and gas needs. For example, in July 2018 China also signed an oil and gas import agreement of 0.45 million tons per year from Papua New Guinea (Jaganathan, 2018).

As with China's trade or export-import with Pacific Island Countries, China's Foreign Direct Investment to Pacific Island Countries is also growing rapidly. This is of course also supported by the aspiration to realize BRI, so that China's investment in Pacific Island countries is also made to build the infrastructure. Direct investment can bring China's impact faster, so that China's existence in Pacific Island Countries is more visible and recognized by local people.

In the first two years since President Xi Jinping's visit to the South Pacific in 2014, China's total investment touched US\$ 2.8 billion, up 173% compared to 2014 (Mayck *et al.*, 2018). Even though the amount of China's investment in the South Pacific is growing rapidly, 70% of China's total investment is focused on Papua New Guinea (Mayck *et al.*, 2018). In the next position, China's investment is also concentrated in Fiji and Samoa. In addition, the amount of China's investment in this region is quite far when compared to the amount of China's outgoing investment globally. In 2016, China's total investment in the South Pacific was only 0.21% of China's total investment (Mayck *et al.*, 2018). China's investment continues to flow into the South Pacific region every year. In 2019-2020, it is estimated that China's investment in Fiji reached around US\$ 323.9 million (Mampioper, 2019).

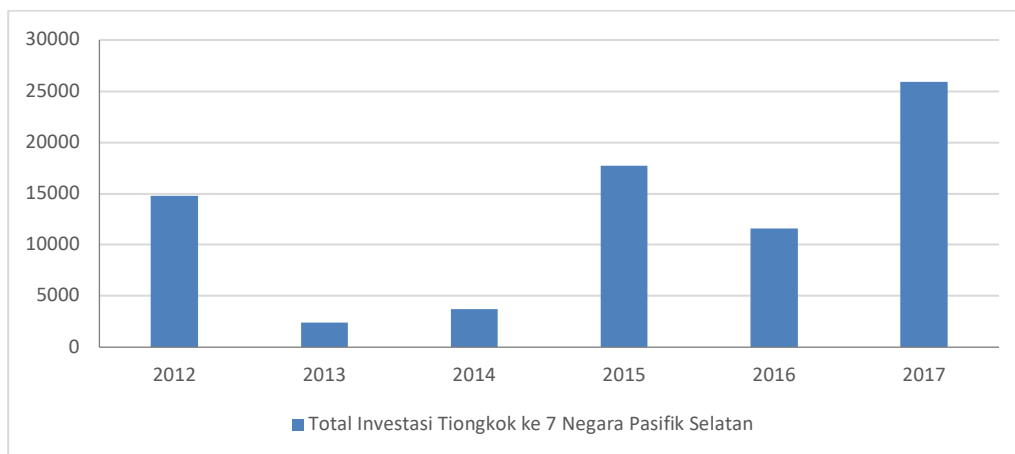


Fig. 3. Total China's Investment to 7 Pacific Island Countries 2012-2017.
Source: Zhou, Fangyin

China's investment in the South Pacific region is mostly in the transportation, real estate, energy and telecommunications sectors. China is known to invest heavily in mining in Papua New Guinea to obtain energy and fuel for road transport. Huawei, a Chinese telecommunication company, is also very active in building underwater cables in the South Pacific region which has received many comments from western countries as previously mentioned by the author. In addition, a Chinese company, Guangdong Silkroad Ark, also invested US\$ 500 million in a resort development project in Fiji (Mampioper, 2019).

In 2019, it was discovered that China was also involved in investing in the Rainbow City project with a large amount in Vanuatu. The Rainbow City project is a real estate project in which 86 hectares of land will be built, the largest residential area in Vanuatu. This project is planned to be aimed in developing Vanuatu's economy by opening new tourist markets in the tourism sector (Yulianingsih, 2019).

The tourism sector is indeed one of the main sectors to support the economy of the Pacific Islands Countries. Therefore, infrastructure development to support the tourism sector in this region is being intensively carried out.

With a large investment value in several projects, such as oil and gas mining projects, China also has the opportunity to increase imports of the energy resources that are needed. In this case, foreign aid and investment from China are only seen as a means to expand the market and find new suppliers of natural resources by some parties. Even so, some views actually see that China's foreign aids can complement other countries' traditional assistance (Azis, 2018). For example, China's foreign aids is used to build infrastructure and invest in sectors that have the potential to boost the economy, such as mining and tourism in Pacific Island countries. These sectors can be a means for Pacific Island countries to improve their economies so that they are sustainable and can stand on their own. Meanwhile, many traditional foreign aids do not focus on this (Azis, 2018).

C. Humanitarian Motives

Geographical location makes Pacific Island nations very vulnerable to natural disasters, especially tropical storms such as typhoons and rising sea water. Typhoons often hit Pacific Island countries and cause severe damage, ranging from destroying infrastructure, residential areas and agriculture, to taking lives. In this case, China is showing its concern to help Pacific Island countries face this threat. The concern shown by the donor country for this humanitarian motive is used to spread its good image to the recipient and the world. China is quite active in helping Pacific Island countries deal with natural disasters by sending aid in the form of funds and basic necessities.

In 2020 and 2021, most of China's foreign aids for Pacific Island countries were provided to help tackle the Covid-19 outbreak. The assistance provided by China includes the Covid-19 vaccine, Personal Protective Equipment (PPE), masks, lab equipment, and Covid-19 test kits. China was also one of the first to produce this Covid-19 vaccine, namely Sinovac. China's total assistance for dealing with covid in the South Pacific region is US \$ 4.64 million (Lowy Institute, 2021).

The next indicator of humanitarian motives is to reduce the poverty rate in the recipient country. This indicator is used to see the efforts made by China to help reduce the poverty rate of Pacific Island countries through the assistance that is provided. The increase of income and the economy of Pacific Island countries is expected to decrease the number of poverty and increase the quality of life of its people.

Until 2022 there are 2.95 million people or 7% of the total population of Pacific Island countries who experience poverty with purchasing power below US\$ 1.90 (World Data Lab, 2022). China's foreign aids in this region is widely used to support the economies of Pacific Island countries. The Chinese diplomat, Cheng Jingye, said that indeed one of the goals or principles of providing China's foreign aids in this region is to support poverty alleviation and increase the standard of living of its people (Jingye, 2019).

The same thing was also conveyed directly by President Xi Jinping who said that China is ready to help Pacific Island Countries to looking the right establishment path to reduce poverty (Huaxia, 2021). China's efforts to help alleviate poverty in the South Pacific are mostly carried out by supporting the economic development of the South Pacific. It was recorded that in 2015-2016 there were 100 projects implemented by China to reduce poverty in the South Pacific region (UNDP in China, 2017). There are three efforts made by China to support this goal.

The first one is by sending technical assistance in the agricultural sector, building farms, and building schools. Technical assistance in several of these fields aims to improve efficiency and techniques in the process, so that the agricultural and livestock sectors can be developed more optimally. One of the examples of technical assistance in the agricultural sector is the Mushroom Technology Development Centre. This technical assistance from China to Fiji aims to provide education to Fijian farmers so they can cultivate their own mushrooms from the start of production to packaging. It is hoped that this will increase the production and sale of domestic mushrooms in Fiji, open up new jobs and livelihood options, and overcome Fiji's dependence on food imports (Lowy Institute, 2021). In addition, China also donated equipment and planting materials to prospective farmers who want to start this mushroom business. The result of this technical assistance was that Fiji mushroom farmers were able to produce 300 tonnes of fresh mushrooms (Lowy Institute, 2021). Apart from Fiji, the Cook Islands also received foreign aid from China for the agricultural sector, namely in the form of 60 agricultural machines worth US\$ 1.23 million (Lowy Institute, 2021).

Second, building infrastructure and cooperation centers for China-Pacific Islands development and poverty alleviation (Embassy of the People's Republic of China, 2021). The construction of this cooperation center was delivered directly by Wang Yi, Minister of Foreign Affairs of China. Wang Yi's meeting with other ministers of Pacific Island countries also discussed BRI as an effort to carry out global development so that the growth is balanced, coordinated and inclusive as of the economic establishment of South Pacific countries can also continue to grow. Therefore, infrastructure development such as roads, bridges, ports and power plants will be carried out in the Pacific Island Countries to help reduce the poverty.

Then the third, China is actively implementing human resource training programs for Pacific Island countries. This human resource training includes the provision of scholarships for students and the people of Pacific Island countries. One of the scholarships provided by China is a Micronesia student scholarship to be able to continue their studies in China at various levels, from undergraduate to doctoral degrees. In 2015 there were 15 students who received scholarships and in 2016 and 2017 there were 20 Micronesian students who received scholarships (Lowy Institute, 2021).

The percentage of poverty in this region for a period of six years (2016-2022) has neither increased nor decreased, which is at 7% (World Data Lab, 2022). Even so, the foreign aids that China's gave, and its diplomatic relations (as PIF's largest trading partner) increased the GDP of several Pacific Island countries, although it's not significantly.

V. CONCLUSION

As one of the foreign policy instruments, the main motive for foreign aid provided by China in the South Pacific Region at this moment is political motives. Initially, China's political motives in the South Pacific were to stem Taiwan's recognition through the One China Policy. In 2019, China even managed to turn the Solomon Islands and Kiribati away from Taiwan. Currently China's political motives focus on its competition with western countries. China's presence in the South Pacific Region threatens the geopolitics of western countries, starting from the issue of building a Chinese military station in Vanuatu, the blockade of Australia, the possibility of China's intervention in the process of extending the COFA agreement, until recently China and the Solomon Islands signed a Security Cooperation Pact.

Economic motives are used by China to expand the market for Chinese products and increase trade relations (export-import) with Pacific Island countries. This is also supported because Pacific Island countries are targeted to realize OBOR projects. Apart from that, one of the goals of this economic motive is also to get a supplier of energy resources from Papua New Guinea which is very abundant. It is known that China has invested heavily in the mining sector in Papua New Guinea.

Meanwhile, China uses humanitarian motives to show concern and sympathy for Pacific Island countries which face many difficulties as the result of natural disasters. Back in 2020-2021 China provided a lot of Covid-19 countermeasures to Pacific Island Countries. Covid-19 itself first became an epidemic in China and this has become a means for China to show its shared responsibility to prevent the transmission of Covid-19 in other countries. This short-term humanitarian motive is a means for China to spread its good image to the people of the South Pacific and to the world. In the long term, the humanitarian motive aims to eradicate poverty. There are three efforts made by China to support poverty alleviation in this region, namely with technical assistance, infrastructure development, and human resource development.

ACKNOWLEDGMENT

This study was conducted independently by authors from the International Relations department in Universitas Brawijaya without any financial support from foreign or domestic actors.

CONFLICT OF INTEREST

Authors declare that they do not have any conflict of interest.

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