

## Wooing the Islands: China and Taiwan High Stakes Bid for Pacific Island Support

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Mario Katosang, Palau's minister of education, is no stranger to foreign travel. His ministry forged close cooperation with Japan. He is also regularly flown to Taipei and his ministry received a total amount of \$1 million in 2006 and 2007 for infrastructure improvements to government-run schools. The government of Taiwan gives generous scholarships to the students of Palau and recently it began supplying the small Pacific Island nation's schools with brand new PCs.



**Mario Katosang, Education Minister of Palau**

"We were given 100 Windows-based computers by Taiwan," recalls Katosang. "The education sector uses predominately Apple Macintosh computers, so I mentioned that we may also need software. Taiwan immediately delivered

100 brand new copies of Windows XP, and offered to train our computer technicians."

Recognizing Taiwan, which calls itself the Republic of China, translates into investment, aid, and an air link that brings a regular flow of tourists from Taipei. Palau may be the richest of the Pacific Island Nations, but a substantial part of its "income" still comes in the form of aid from Japan, Taiwan, and other countries. This assistance also includes "compact money" from the United States. If asked to do so, Palau is willing to accept U.S. military bases, a willingness that is generously rewarded by Washington.

"Taiwan sees diplomatic recognition by Pacific Island states as an important political weapon in its difficult relationship with China," explains Prof. Stuart Harris, a leading specialist in Chinese foreign policy at Australian National University. "China similarly seeks to persuade states recognizing Taiwan to change their diplomatic recognition to the People's Republic of China (PRC). It does not cost a lot financially to persuade government leaders in many of these states to see the advantage to them of changing their state's recognition from China to Taiwan and vice versa."

"The context in which this competition plays out is a region largely of states that are weak in economic and governance terms, with governments that are often basically unstable," Harris continues. "Aid dependency is widespread and so is corruption. The impact of the competition between Taiwan and China, usually in the form of financial aid, undermines the considerable efforts made in a number of

these states, such as the Solomon Islands and in Nauru, to improve regional governance."

In the Pacific, foreign aid games, often called "checkbook diplomacy," are becoming extremely dangerous. They deepen dependency syndrome, a curse that is literally immobilizing Pacific Island Nations. This competition for influence fuels corruption and inflames racism. It also indirectly supports the status quo by strengthening the oppressive feudal and religious systems that still rule over a great majority of the nations in the region.

### The Highest Bidder

Several Pacific Island nation governments are willing to "go with anybody" as long as it is lucrative. Selling votes at the United Nations is a common occurrence. Micronesian nations, as well as many Polynesian and Melanesian ones, regularly support virtually any resolutions proposed by the United States. Francis Hazel, director of The Micronesian Seminar, remembers how one day a television crew from Israel besieged his office in the capital of the Federated States of Micronesia (FSM), Pohnpei. "I wondered what they were doing in this city, which hardly appears on any world maps. Then I understood: the Israeli public was curious about this country which keeps joining the U.S., voting against all UN resolutions condemning Israeli actions in the Middle East."

But China and Taiwan are the biggest players in this game. They have been jockeying for position in the region with their willingness to work with any government in the region, no matter how corrupt or undemocratic, and to shower such friends with aid and grandiose gifts. China is, for instance, closely cooperating with the military government in Fiji. Government officials in the Pacific are being pampered and their incomes are boosted by countless lucrative trips to Taipei and Beijing, helping to support what is often described as a "per-diem mentality." Kessai Note, president of

the Marshall Islands, arrived in Taipei in June 2007 for a five-day visit (his sixth in the past five years), meeting Taiwan President Chen Shui-bian for a few hours, after which "the rest of his trip was private," according to a report filed by the Asia Pulse news service.

Both Taiwan and China have erected disproportionately huge buildings for use by local governments, including the parliamentary complex in Vanuatu and the government offices in Samoa. For the convention center in Majuro, Marshall Islands, where the 2nd Taiwan-Pacific Allies Summit took place last October, Taiwan spent approximately \$5 million.



**RMI Convention Center in the Marshall Islands, Taiwan's biggest individual gift to a Pacific island, valued at approximately \$5 million.**

China, which calls Taiwan a "renegade province," almost automatically breaks diplomatic relations with countries that back Taipei's drive for independence, especially those like Palau that trumpet their support. Last year Palau's president delivered a decisive, if (according to his own staff) rather embarrassing, speech at the General Assembly of the UN, demanding immediate acceptance of Taiwan as a full member.

For Palau, close friendship with Taiwan pays, and in the Pacific, that often seems to be all that matters. Although there is no official data

available, Taiwan has probably donated around \$100 million to Palau since establishing diplomatic ties in 1999, which works out to approximately \$5,000 per capita. Of this sum, \$3 million dollars has been spent on construction of a conference center, \$15 million on airport expansion, and \$2 million on the National Museum, with one section trying to show that Taiwan's indigenous people and Micronesians are genetically linked. Taiwan also lent \$20 million for the construction of a new capital city, Melekeok, locally referred to as "Washington Jr." for its architectural resemblance to Capitol Hill. It is one of the most ludicrous and wasteful construction projects in the history of the Pacific.



**A building in Melekeok, Palau. Taiwan lent \$20 million to Palau for construction of the city.**

The Pacific Island Forum has an official relationship with China, yet six of its 16 members officially recognize Taiwan. At present count, Samoa, Kingdom of Tonga, Cook Islands, Niue, Fiji, Vanuatu, FSM, and PNG "go with China," together with two regional powers, Australia and New Zealand, while Palau, the Marshall Islands (RMI), Kiribati, the Solomon Islands, Nauru, and Tuvalu "are with Taiwan." Several Pacific Islands are "swinging" — switching sides in a bid to maximize profits. Everything is out in the open. After "switching

from China to Taiwan," According to government sources, Mr. Tong, president of Kiribati, responded to his vocal critics with disarming honesty: "Well, what can we do? We need to work with the nation that can support us!"

### Differing Calculations

Similar approaches can be found all over the Pacific, in the countries that "go with Taiwan," or "are with China." Senator Tony de Brum of the RMI, a determined critic of the U.S. military bases in his country, claimed before the elections that once his party returned to power — it has now done so — he would try to close down the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site on Kwajalein Atoll. But he is also a man who forged cooperation with Taiwan and effectively withdrew his country from the sphere of Chinese influence.

In an interview with Asiana Press Agency, de Brum explains: "In the past, we abandoned Taiwan and went with China and until 1998 we stayed with it. But then we felt under financial pressure, as we were going through some tough negotiations with the U.S. regarding the Compact. And we felt that we couldn't beg the U.S. for money while negotiating about defense and finances with it. China's aid to the Marshall Islands at that time was negligible. That is when we decided to go back to Taiwan, which was offering substantial financial assistance."

"Switching from China to Taiwan was a pragmatic and good move," explains Jiff Johnson, an American journalist based in the Marshall Islands and working for the Marshall Islands Journal. "Chinese people are not well liked here. Those who arrive in RMI don't always respect local culture and natives see them as competition. China didn't care too much about this part of the world, until Kiribati flipped out in 2003, going with Taiwan. China had to leave, taking with it its satellite

monitoring station. It was a big blow. The U.S. has a monitoring station in the Marshall Islands — in Kwajelain. Kiribati and Kwajelain — whose geographic location is well suited for monitoring satellite launches. Learning the lesson in 2003, China became much more active: it began showering our neighbor, the Federated States of Micronesia, with money, which by then was already surrounded by pro-Taiwanese Palau, RMI, and Nauru."

Taiwanese businesses can now be found all over Majuro, the main island of the Marshall Islands. There are "Fermosa" food stores, even cafes selling authentic Taiwanese food. But the symbol of Taiwan's involvement in this country is the lavish International Convention Center fully funded by Taiwan. It opened right before the 2nd Taiwan-Pacific Allies Summit held in October 2007. Even before the summit, critics were lamenting that the poor and small Marshall Islands would hardly be able to maintain a structure of such magnitude. At that summit Taiwanese President Chen Shui-bian praised the "consistency and courage" of Taiwan's six Pacific Island allies in backing his administration's bid to join the UN under the name of "Taiwan", instead of the nation's official title, as well as their "lack of fear" of a hostile response by the People's Republic of China. Such courage merits high level support.

China is increasingly active in supporting those countries that remain in its camp. It has learned that in the Pacific, allegiance goes to the highest bidder. "Taiwan used to approach the previous government of Fiji. Fiji is with China, but Taiwan was offering many scholarships in Taipei," recalls Joseph Veramu, a leading Fijian writer and head of the Lautoka Campus of the University of South Pacific. "Their strategy was simple: to shape future leaders of the Pacific, make them pro-Taiwan. Only recently they realized that they can't compete with China, which began pumping large funds into the country."

China built or improved sports complexes for the South Pacific Games in both Fiji and Samoa. It constructed government residences, a Tuna Commission Building and gymnasium in Phonopei, the capital city of the FSM. While Taiwan erected an impressive (and probably unnecessary) government building in the tiny nation of Tuvalu, China constructed a much larger one in the Samoan capital of Apia.



**The government building in Tuvalu.**



**The commemorative stone at the government building in Tuvalu. Taiwan erected the building for the tiny island nation.**

**Cultural Divide**

Foreign aid, scholarships, and construction of

new buildings help to secure votes at the UN for both Taiwan and China, but do not seem to buy friendship. Most Pacific Island nations are known for their extreme nationalism and Christian zeal. No matter what overtures China or Taiwan make, their involvement continues to be viewed with suspicion. In recent years, there have been several popular backlashes.

In April 2006, Chinese became the main target of the protest riots triggered by rumors that Taiwan had paid for the election of unpopular Snyder Rini as prime minister. Not distinguishing between Taiwanese and Chinese, the crowd was screaming “waku,” which means Asian or Chinese. The Chinatown in the country's capital of Honiara was nearly leveled following looting and arson attacks. The Solomon Islands have no diplomatic relations with the PRC, as it recognizes Taiwan. Ironically, the victims were immigrants from Mainland China, some having lived in the Solomon Islands for several generations.

The Tongan capital went up in flames in November 2006. Although the main target was supposed to be the corrupt and feudal system of the country, rioters devastated almost all Chinese businesses in the capital.



**Aftermath of the riot in Nukualofa, Tonga.**

“I hate to say it, but the riots we saw in Tonga

in November 2006 were mostly ignited by racism,” explains Kalala Unu, principal of Tonga High School, an elite institution with 1,400 students, which educated both government officials as well as leaders of the pro-democracy movement. “Eighty percent of the downtown area was destroyed, but the original targets were Chinese businesses. This country is receiving substantial help from the People's Republic of China. Even my school was built with Chinese funds. Several Chinese lecturers were teaching here. But there is envy toward hard-working Chinese immigrants. Right after the riots there was talk that several local businessmen paid young kids money to destroy Chinese shops.”

Unu’s comments coincide with views broadly held in her country and abroad (and reflected in various media reports), summarized by journalist Graeme Dobell in a July 2007 Australia Network article: “A pro-democracy rally in Tonga turns into a rage of arson and looting, and the main targets are Chinese shops and stores ... In 2006, the new Chinese Diaspora in the South Pacific smelt of burning buildings and the China-Taiwan diplomatic tango was a dance through flames.”

Anger is brewing all over the Pacific. Even the opposition in Palau seems to be dissatisfied with its Taiwanese sponsor. Leaders of the opposition are claiming that if they win in 2008, they will switch to China. The Tongan opposition is grumbling about the 20-year, \$59 million loan their country signed recently with China. The money is supposed to go to reconstruction of the capital, devastated by last year’s riots, but critics say that China will use its own companies and workers.

After winning elections in November 2007 in the Marshall Islands, the Aelon Kein Ad Party leadership is already suggesting a switch to China. One of the election issues was whether to switch recognition from Taiwan, with the opposition favoring recognizing the PRC.

However, Aelon Kein Ad turned its back on its own promises on November 28, declaring they would not end ties with Taiwan if they won the election, adding to speculations that Taipei's checkbook diplomacy was working behind closed doors.

Taiwan is rapidly losing its popularity among citizens in the Marshall Islands. A lawsuit, filed in Majuro, claims that a National RMI police officer led a group of prisoners in taking down five plywood billboards erected on private properties during the 2nd Taiwan-Pacific Allies Summit. The signs all bore the same message, "Taiwan, Welcome, But Not in Our Internal Affairs."

### The U.S. Role

The role of the United States in this political tango is ambiguous. In theory, the United States does not recognize the existence of Taiwan as an independent country. But Senator de Brum of the RMI and his colleagues erupted in laughter when asked how their country can recognize a nation not recognized by its closest ally, the United States. "The United States does not recognize Taiwan," they commented, "but it encourages it."

Dependency syndrome is one of the main obstacles to the development of Pacific Island Nations. Countries all over the Pacific now prefer to sell fishing licenses to Taiwan, Japan, and other Asian nations instead of fishing themselves. Entire generations have been raised on imported junk food, shortening lifespans and causing obesity in numbers unseen anywhere else in the world. The euphoria following independence was short-lived. The dependency that ensued was often as restraining as when Polynesian, Melanesian, and Micronesian nations were outright colonies of Western and Asian powers.

Thousands of young men from all corners of the

Pacific are now serving in the U.S. Army in far-away places like Iraq and Afghanistan. UN votes are being sold to the highest bidder. Although the anger felt toward Taiwan and China is often irrational, it is an authentic expression of frustration and disgust at Pacific Islanders' own impotence and dependency.

The decision by Pacific Island nations to break this vicious cycle should be followed by launching open discussions on the China-Taiwan issue. A more open process of determining diplomatic relations won't solve all of the extant issues confronting the Island Nations, but it would certainly be a big step in the right direction. Removing the influence of money is crucial in this process. Basing diplomatic relations on the fees offered by a given country has profoundly negative effects on the island nations. The situation tends to deepen national stagnation, and abets political cynicism. The money paid often only supports the political elites, who benefit directly (through business deals, contracts and official trips) and indirectly. Both Taiwan and China waste large sums on showpiece structures like government buildings and disproportionately large stadiums, rather than spending their funds to foster sustainable development projects.

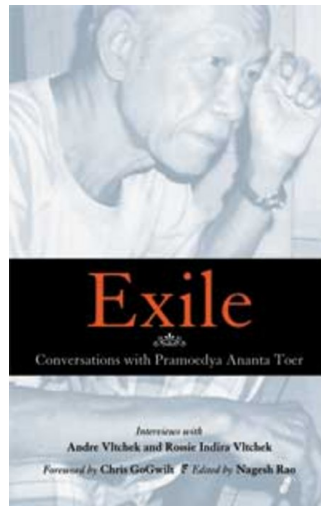
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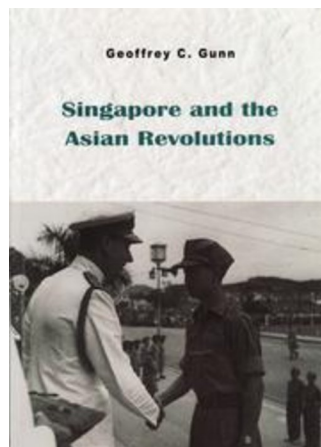
*A Japan Focus associate, he wrote this article for Japan Focus. Posted on April 20, 2008.*



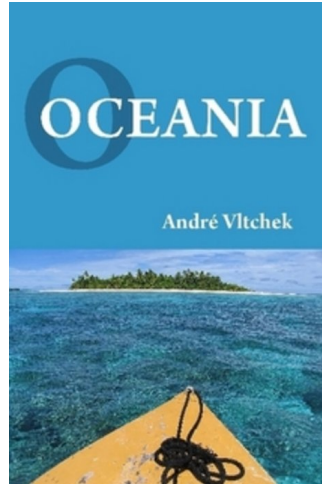
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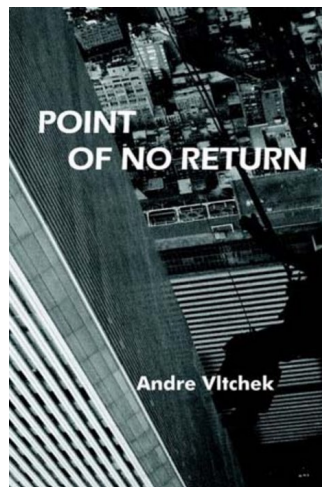
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