The 2006 Fiji Coup: Engagement or Exclusion? Contrasting Reactions from New Zealand and the People’s Republic of China

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<th>Abbreviation</th>
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<tr>
<td>ACP</td>
<td>Africa Caribbean Pacific Countries</td>
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<tr>
<td>ADS</td>
<td>Approved Destination Status</td>
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<td>CHOGHM</td>
<td>Commonwealth Heads of Government Meeting</td>
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<td>EPG</td>
<td>Eminent Person Group</td>
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<td>FSM</td>
<td>Federated States of Micronesia</td>
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<td>MFAT</td>
<td>New Zealand Ministry of Foreign Affairs and Trade</td>
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<td>MOD</td>
<td>Ministry of Defence</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>Melanesian Spearhead Group</td>
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<td>National Federation Party</td>
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<td>NZAID</td>
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<td>PACER</td>
<td>Pacific Agreement on Closer Economic Relations</td>
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<td>PIF</td>
<td>Pacific Islands Forum</td>
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<td>PICTA</td>
<td>Pacific Island Countries Trade Agreement</td>
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<tr>
<td>PLA</td>
<td>People’s Liberation Army</td>
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<tr>
<td>PNG</td>
<td>Papua New Guinea</td>
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<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
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<tr>
<td>PRTU</td>
<td>Promotion of Reconciliation Tolerance and Unity Bill</td>
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<tr>
<td>RAMSI</td>
<td>Regional Assistance Mission to the Solomon Islands</td>
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<tr>
<td>ROC</td>
<td>Republic of China</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<td>VAT</td>
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Abstract

The emergence of China as a dominant force in international politics has challenged the traditional roles states have played in regions such as the South Pacific. The 2006 Fiji coup heralded a new era of competition in the region as PRC policy response conflicted with that of existing powers such as New Zealand. China continued to engage and expand its relationship with Fiji while New Zealand attempted to isolate the interim Fijian administration. This thesis looks at how New Zealand and PRC policy towards Fiji has clashed following the 2006 coup and assesses the implications for these powers as well as the long term stability of the region. New Zealand responded to the coup by placing strict sanctions on Fiji and lobbying the Pacific Islands Forum and the Commonwealth to suspend Fiji’s membership. Meanwhile, the PRC expanded its diplomatic, military and financial ties with Fiji and provided funding for the MSG, a frequent supporter of the Fijian regime.
Chapter one: Introduction

The South Pacific region is comprised of many sparsely populated island nations with underdeveloped economies that are potentially rich in natural resources, yet dependant on more powerful states for aid and diplomatic assistance. Traditionally this area has been dominated by Western powers who share culture, language and history with the islands. This dominance has been challenged by the emergence of the People’s Republic of China (PRC) becoming more involved with the South Pacific politically, economically and militarily. New Zealand has constructed political, financial, cultural and historical contacts with the region as well as a strong presence in a bilateral and regional context. The PRC has traditionally been a less active player in the region and until recently has focussed on ‘chequebook diplomacy’, effectively buying recognition from island states to contest the presence of Taiwan in the region.¹ While the ‘Taiwan issue’ still dominates Chinese foreign policy it can no longer be seen as the sole motivation for the PRC’s interaction with the South Pacific. As China has become more active it has potentially become an alternative partner for Pacific states by offering financial, military and political support without the strict conditions set by the traditional donors of the region. The 2006 Fiji coup is an example of when the approaches of the PRC and New Zealand have clashed. The PRC continued to engage with the interim military government while New Zealand sought to isolate the island nation through unilateral and multilateral pressure. Such a clash in policy has the potential to undermine the stability of the region and both the PRC and New Zealand interests within it. This thesis looks at how the policies of New Zealand and the PRC have been opposed following the 2006 Fiji coup and examines the implications of this opposition for Fiji, the PRC, New Zealand and the wider South Pacific region.

Overview
The PRC began actively engaging with the South Pacific as part of a wider contest for legitimacy with Taiwan.² Initially this interaction was characterised by ‘chequebook’ or ‘dollar diplomacy’ with the ROC and the PRC attempting to effectively buy recognition from

¹ Brook Larmer, “Advantage, Beijing; Taiwan’s aim for U.N. membership has been costly and thwarted by China’s own skill at ‘checkbook diplomacy’,” Newsweek (2002).
poor under-populated states.³ This was not limited to the South Pacific, with similar diplomatic rivalry occurring throughout the developing world particularly in Africa, Central and South America and the Caribbean.⁴ The South Pacific was particularly attractive for this purpose as small developing island states were comparatively cheap to influence.⁵ This heralded new opportunities as well as problems for the region. The competition provided states with a new source of income and investment while at the same time restricting their foreign policy to choose to recognise either the PRC or the ROC.⁶ In the 21st century the presence of the PRC in the South Pacific has expanded and diversified to not only entrench its diplomatic position, but also to exploit the vast natural resources of the region.⁷ In particular, growth in the Solomon Islands and Papua New Guinea, mainly for mineral and timber resources and for fisheries assets in states such as Fiji.⁸

In contrast, New Zealand has traditionally had a more involved role in the South Pacific region, not only as a unilateral actor but as an active and founding member of the multilateral Pacific Islands Forum.⁹ New Zealand became progressively more vocal in the 1980s with the Lange government’s anti-nuclear stance: shifting policy to become focussed on threats from outside the region. The 1987 Fiji coups forced New Zealand to look at the internal instability of states and the options New Zealand had to reduce such problems.¹⁰ Throughout the 1990s and increasingly in the 21st century, New Zealand foreign policy has become more and more concerned with improving governance and reducing poverty in the region through unilateral and multilateral means. The 2000 Biketawa Declaration is a good example of this increasingly interventionist ‘good governance’ agenda. A New Zealand-led forum initiative, the Declaration was drafted as a response to increased violence in

³ Tamara Renee Shie, "Rising Chinese Influence in the South Pacific: Beijing's "Island Fever"," Asian Survey 47, no. 2 (2007). 316
⁶ Ibid. 801
Melanesia. While the wording is often contradictory or ambiguous it provided a constitutional basis for the Australia and New Zealand led Regional Assistance Mission to the Solomon Islands (RAMSI) in July 2003.

The PRC is engaging with states across the South Pacific offering increasingly lucrative diplomatic and financial support in exchange for resource access, political recognition and diplomatic favours. This is occurring at a bilateral level and through grants and support to regional organisations such as the Pacific Islands Forum (PIF) and the Melanesian Spearhead Group (MSG). Meanwhile, New Zealand has been putting increasing pressure on Forum member states to improve domestic governance standards and the rule of law to achieve a stable, prosperous Pacific that aligns itself with New Zealand. The increased engagement of the PRC at a regional level provides South Pacific states with greater choice in terms of diplomatic, financial and military support.

The PRC and New Zealand are engaging countries across the South Pacific region to varying degrees, usually without policy conflict. Fiji is a good example where both New Zealand and the PRC have established interests in different areas and in different ways. Fiji is the most developed of the Forum member states outside of Australia and New Zealand and holds an important geographical position between Melanesia and Polynesia. It is home to the main campus of the University of the South Pacific as well as the Pacific Islands Forum Secretariat. Despite its relative wealth and regional influence, Fiji has suffered from sustained political instability since its independence in 1970, with four coups d’etat overthrowing democratically elected governments. Fiji shares its colonial history with New Zealand in addition to having sporting, cultural and established diplomatic interactions. In 2006, 9,864 New Zealanders identified themselves as ethnically Fijian, illustrating the

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12 For example the declaration respects the “principle of non-interference in the domestic affairs of another member state...” while empowering the Forum to intervene in the domestic affairs of member states in times of crisis. See Ibid.
15 “Fiji suspension threatens Pacific regionalism,” Fiji Sun, 02/05/2009.
demographic links between the two nations. At the same time Fiji was the first Pacific Island to establish diplomatic relations with the PRC on November 5, 1975 and has been involved with the PRC since then, with high profile visits from members of the Chinese Communist Party and the People’s Liberation Army (PLA). Despite not having a colonial relationship with Fiji, Fiji is home to a number of Chinese migrants, some of whom arrived in Fiji as indentured or unskilled labourers to work in Fijian agriculture, as well as a growing number of recent legal and illegal migrants from mainland China. The exact number of new Chinese migrants has been estimated to be between 5000 and 22,000 with Fijian authorities privately setting the number at 15,000. The editor of *Islands Business* Robert Keith Reid argued that the reason for the ambiguity in the figures is that the government is concerned about the response from the public should the real figures be officially published.

The most recent coup d’état in 2006 was the fourth since the country’s independence and followed an increasing division between Prime Minister Laisenia Qarase and Fijian Military Chief Voreqe Bainimarama. The 2006 Fiji coup is significant because it provides a clear example in the South Pacific of where the policy approaches of New Zealand and the PRC are in conflict. Both the PRC and New Zealand have interests in Fiji but very different motivations and methods. The New Zealand government responded to the conflict with a policy of pressure and exclusion while the PRC continued to expand its relationship with Fiji. Following the 2006 coup, New Zealand sought to generate a regional response to the crisis by influencing the Forum as well as the Commonwealth of Nations in an attempt to pressure Fiji into holding democratic elections. At the same time the PRC was funding the MSG, a vocal advocate of engaging with Fiji. Thus, the PRC-New Zealand policy clash over the Fiji coup occurred at a regional as well as at local level. This engagement with the established regional organisations shows how both the PRC and New Zealand are interacting with the South Pacific as a whole to achieve their respective political objectives in a crisis situation

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21 Cited in Ibid. 26
such as the 2006 Fiji coup. This effectively led to a substitution effect: New Zealand used sanctions to encourage Fiji to make credible steps towards democracy, rather than pressuring Fiji to change, the PRC replaced New Zealand in many of the areas where sanctions were put in place. While this situation is currently clearest in Fiji following the 2006 coup, this substitution from New Zealand to China has the potential to take place across the region, particularly in Melanesia with Chinese support for the Melanesian Spearhead Group.

**Literature review**

This topic suffers from a general lack of accessibility to primary source material. Because the coup is an ongoing foreign policy issue for Fiji, the PRC, and New Zealand; most of the information is currently inaccessible. The relevant policy working documents in New Zealand have been suppressed under s 6(a) of the Official Information Act as prejudicing the “security or defence of New Zealand, or the international relations of the Government of New Zealand.”

This stance has also meant that current Ministry of Foreign Affairs officials under the Key government as well as those under the former Clark administration have been unwilling to contribute to this thesis regarding New Zealand’s position in Fiji following the coup and the implications of Chinese involvement there. On the Chinese side, an overall lack of transparency in the PRC system has meant that primary source material is limited and difficult to access with the Ministry of Foreign Affairs of the People’s Republic of China and the Chinese embassy in Wellington ignoring requests for more information on Chinese involvement in Fiji and the South Pacific.

The main sources of information that will consequently be used in this thesis are the comments, statements and interviews with officials and relevant leaders which have appeared in local media sources as well as official policy documents where available. The relevant WikiLeaks diplomatic cables will also be used as source material. These reports cannot be viewed as wholly accurate or representative of the exact situation occurring in Fiji. However, they do provide insight into the way policy is being formulated and applied to the Fijian situation and how the governments’ involved have responded to changes. Supplementary interviews were not conducted in this thesis as the relevant officials in Wellington, Suva and Beijing were unwilling to comment on the subject matter.

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22 *Official Information Act.*
Retrospective analysis of this situation when official documents become available and relevant actors are available to speak freely would be valuable. As such this thesis should be viewed as a preliminary examination of the material available to the public relating to the coup in the period from 2006-2010.

The 2006 Fiji coup was seen by many as a continuation of Fiji’s ‘coup culture’, a topic that has received comprehensive attention since the first coup led by Sitiveni Rabuka in 1987. While the 2006 coup shares a number of its characteristics with previous coups, it can be distinguished by both domestic and international changes since the interventions of Speight and Rabuka. While the previous coups were also based on racial divisions within Fiji, Speight and Rabuka were focussed on maintaining ethno-Fijian superiority, Bainimarama professed to be breaking down traditional racial barriers. In contrast to previous coups Bainimarama also worked towards reducing the powers of ethno-Fijian dominated institutions such as the Great Council of Chiefs and the Methodist Church. Bainimarama’s 2006 coup was distinct from previous coups in its motivation and its execution.

New Zealand’s role in the South Pacific had been traditionally focussed upon Polynesia, with New Zealand Island territories in the region as well as shared historical and cultural ties. The greater South Pacific was to an extent a triangle of outside influence, with New Zealand watching over Polynesia, Australia covering Melanesia and the United States overseeing Micronesia. Over the past decade this broad distinction has been replaced by a trans-Tasman focus on Melanesia following crises in Bougainville, the Solomon Islands and Fiji. Official reports, speeches and policy documents make up the majority of in-depth research on New Zealand’s role and long-term direction in the South Pacific, produced predominantly by the Ministry of Foreign Affairs (MFAT), New Zealand Aid (NZAID), The Ministry of Defence (MOD), and The Prime Minister’s office. The most comprehensive document outlining New

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Zealand’s role in the South Pacific is the Pacific Strategy 2007-2015. Despite widespread changes in the structure and focus of NZAID in 2009, this remains the most detailed account of New Zealand’s development principles and direction in the South Pacific.\(^{30}\) This is supplemented by the Pacific Plan, a ‘living document’, agreed upon by Forum Members for the long-term development of the Pacific, that sets out principles to follow and objectives to meet for development to occur.\(^{31}\)

New Zealand has had a long and generally favourable relationship with Fiji, not only in terms of development assistance, but also through sporting, cultural, and historical links. Most of the literature on New Zealand’s broad relationship with Fiji is through NZAID and MFAT sources as well as groups such as the Fiji-New Zealand Business Council.\(^{32}\) NZAID has a comprehensive development plan for Fiji (drafted before the 2006 coup and 2009 NZAID reforms) which sets out the role NZAID plays in Fiji as well as the most important areas for aid to be allocated.\(^{33}\) However, the role New Zealand has played in Fiji has been sporadic, as it has traditionally rescinded a number of its financial and diplomatic links when coups take place in Fiji.\(^{34}\) The New Zealand government response to the 2006 coup was swift with New Zealand Prime Minister Helen Clark announcing immigration, development assistance, travel, and diplomatic sanctions the day after coup leaders assumed power.\(^{35}\) There is a large volume of relevant scholarly literature on the underlying causes of Fiji’s ‘coup culture’ and analysis following the 2006 coup is no exception. Fraenkel examines the root causes of the coup in Fiji and critically examines the argument put forward by Bainimarama that it was a ‘coup to end all coups.’\(^{36}\) Lal assesses the impact the coup has had in Fiji a year on, looking in particular at the domestic political environment and the lack of obvious unrest from the Fijian population.\(^{37}\)

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\(^{30}\) Murray McCully, 16/12/2008 2008.
\(^{33}\) Ibid.
\(^{35}\) Helen Clark, "NZ imposes wide range of sanctions on Fiji " Prime Minister’s Office, http://www.beehive.govt.nz/node/27990.
What this literature focuses on is the domestic and political implications of the coup for Fiji and the causes of such political unrest. The research that is missing is analysis on the implications for outside powers such as New Zealand. A large number of newspaper articles supplement the official reports, however in-depth independent analysis of New Zealand’s post-coup response is lacking. In the post-coup period, despite a change in government for New Zealand, few official policy documents have been created on the subject of Fiji. Reporting of New Zealand’s position has been more detailed, in particular surrounding the expulsion of New Zealand’s High Commissioners.\(^\text{38}\) Given that the Bainimarama government is still in power in 2010, it would seem that efforts from New Zealand have failed in pressuring Fiji to hold democratic elections.

New Zealand’s role in the Pacific islands Forum has been increasingly well documented, particularly after conflicts in the Solomon Islands, Fiji, Bougainville and Papua New Guinea. Despite being intended to be a union of equals, Kelsey argues that the Forum has been increasingly dominated by New Zealand and Australia, creating a rift between South Pacific states and what are seen as a union of Western Powers.\(^\text{39}\) Young argues that, although New Zealand developed a strong independent voice in the Forum in the 1990s (exemplified by the New Zealand-led Bougainville negotiations), policy has become increasingly consistent with that of Australia in the South Pacific.\(^\text{40}\) Since 2000 New Zealand and Australia have pushed an agenda of ‘good governance’ on the South Pacific, as in the 2000 Biketawa Declaration, which allowed collective action to resolve security problems in the Pacific.\(^\text{41}\) Henderson argues that pressuring democratic rule onto states may be counterproductive as Pacific states may feel alienated from Australia and New Zealand and look north to Asia for assistance without good governance conditionality.\(^\text{42}\)

Over the past 25 years a considerable volume of literature has emerged on the threat posed by an increasingly powerful PRC. As early as 1971 Maxwell assessed the implications of a


\(^{40}\) Audrey Young, "Pacific needs NZ voice," New Zealand Herald, 13/10/2007.


developing China on the international order. This area of research has grown rapidly with its primary focus on the implications for the United States. Given the current and past hegemonic dominance of the US, any emerging power effectively challenges the existing world order and consequently the position of the United States. Concerns about an increased Chinese presence in the South Pacific by both New Zealand and the United States were revealed in a leaked diplomatic cable noting in particular increased People’s Liberation Army (PLA) aid to defence forces in Fiji and Tonga. Perhaps the most substantiated threat posed by China has been the Taiwan issue and escalation of conflict in the Taiwan Strait. The current cooling of relations between the PRC and the ROC has shifted academic and political opinion further away from an imminent or readily foreseeable conflict in the Taiwan Strait. Brady is more sceptical, claiming that the truce is only likely to remain if Beijing believes that Taiwan is making steps towards reunification.

The late Ron Crocombe commented that a power vacuum left by the US and Europe in the Pacific has let Asian powers and in particular China, play a greater role in the region. Whether this expansion into the Pacific can be seen as a threat to Pacific Island nations and their traditional partners is subject to much speculation and debate within both the foreign policy and academic communities. Academics such as Wesley Smith comment on the inevitability of a greater Chinese role in the South Pacific given the rapid economic growth China has experienced over the last 25 years. The resources and location of the Pacific in relation to China make it a prime region for economic exploitation and diplomatic recognition. Lintner has a different interpretation of the PRC’s interaction with the South

43 Neville Maxwell, “'The Threat from China,'” *International Affairs* (Royal Institute of International Affairs 1944-47), no. 1 (1971).
45 Randall Peerenboom, *China Modernizes: Threat to the west or model for the rest* (Oxford University Press, 2007).
46 Audrey Young, "NZ disturbed by China's rising power in Pacific," *New Zealand Herald*, 21/12/2010.
Pacific, seeing it as a deliberate move by the PRC to challenge the traditional powers in the region.51

A Chinese presence in the region is in no way limited to the actions of the PRC government, Chinese migrants have resided in the South Pacific since the 1800s. James Hua To categorises these overseas Chinese into two groups, laoqiao or ‘old Chinese’ and xinqiao or ‘new Chinese.’52 ‘Old Chinese’ came to the South Pacific as labourers in the 1800s and early 1900s, most of whom have assimilated well into Pacific populations.53 An influx of ‘new Chinese migrants’ are a more recent development and a cause of growing concern in the South Pacific as they are more separated from the local cultures.54 Migrant ‘new Chinese’ in the South Pacific have been blamed for instability in the region with Chinese businesses specifically targeted in the 2006 riots in the Solomon Islands and Tonga.55 Such populations are also potentially a threat as increasing numbers of legal and illegal migrants from the PRC are coming to the South Pacific. Not only are they dominating local economies, a small number are also being increasingly linked to domestic and transnational criminal activities, resulting in further marginalisation of ethnic Chinese and the destabilisation of Pacific societies.56 This has the potential to exacerbate existing economic and political tensions in South Pacific states and may lead to new tensions between local populations and new Chinese migrants.

The most widely-covered and expanding area of literature on the PRC in the South Pacific is the role of the PRC government in South Pacific states. Since the early 1990s the PRC has been spending vast amounts of money in South Pacific states. This funding has not been through traditional aid channels but more focussed on large-scale projects such as government buildings and sporting complexes.57 Dobell argues that this large-scale spending

can be explained largely by the aforementioned practice of chequebook diplomacy.\(^{58}\) Linter contests that such a practice is utilised to gain favour in South Pacific states and to effectively push out the influence of traditional powers such as Australia and New Zealand.\(^{59}\) Hanson is more sceptical, arguing that Chinese chequebook diplomacy is poorly planned and delivered and as a consequence lacks the long term ability to depose the traditional powers as Lintner suggests.\(^{60}\) In either case South Pacific states have welcomed the funding from the PRC, particularly as the only official condition for such aid is the recognition of the ‘One China’ policy.\(^{61}\)

Once again the intentions of Chinese funding in the South Pacific are difficult to determine. However, the extent of China’s diplomatic interactions in the South Pacific has led to speculation amongst academics and policy makers alike. Dobell brings up the well-established argument that China now has more diplomats in the South Pacific than any other country.\(^{62}\) Yang expands on this by noting that in recent years it has become the practice for South Pacific leader’s first official visit to be to Beijing and not to Canberra or Wellington.\(^{63}\) Maclellan argues that Australia is still the dominant power in the Pacific but its policy has become increasingly challenged in the region as states expand their aid and diplomatic contacts.\(^{64}\)

China has had a long history of engagement with Fiji and consistently good relations with the South Pacific nation. Very little has been written on the historic involvement of China in Fiji, although Crocombe addresses this briefly but in the context of the South Pacific region rather than Fiji in particular.\(^{65}\) Most of the literature regarding the position of the PRC in Fiji, which does not pertain to the recent coup, revolves around the aforementioned growth of Chinese diplomatic and financial support.\(^{66}\) Shie argues that the PRC presence in Fiji as in the

\(^{58}\) Ibid.


\(^{60}\) Fergus Hanson, "China: Stumbling Through the Pacific," (Lowy Institute for International Policy 2009).


\(^{66}\) Fergus Hanson, "China: Stumbling Through the Pacific," (Lowy Institute for International Policy 2009).
rest of the South Pacific has increased rapidly since the late 1990s.\(^{67}\) Despite being an increasingly powerful minority in Fiji, little has been written examining the implications of a Chinese population that may outnumber the Indian Fijians in the future.\(^{68}\) In addition, the Chinese government has produced documents on the bilateral agreements between the PRC and Fiji as well as the number of official visits that eminent PRC officials have made to Fiji. What is missing is an accurate account of the financial relationship that the PRC undoubtedly has with Fiji.\(^{69}\)

Historically, China has neither publicly applauded, nor actively condemned Fiji after previous coups.\(^{70}\) Many academics argue that the 2006 Fiji coup response signalled a change in PRC policy in the South Pacific. Instead of not reacting diplomatically or financially to the coup, the PRC increased its diplomatic and financial links with Fiji. Hanson argues that such a policy by Beijing was deliberate but misguided as Bainimarama lacks popular local support. As a way of winning over the thoughts and minds of the Fijian people, propping up an unpopular leader was not a long-term strategy for improved relations.\(^{71}\) Yang notes that such an influx of support from Beijing was signalled before the coup at the First Ministerial Conference of China Pacific Island Countries Economic Development and Cooperation Forum in 2006 when Laisenia Qarase was still in power.\(^{72}\) Both Hanson and Yang acknowledge that the PRC has rapidly increased support for Fiji since 2006: the disagreement surrounds whether the increase in aid has been caused by the 2006 coup and sanctions imposed by states such as New Zealand.

Following the 2006 Fiji coup, financial support from the PRC to Fiji increased significantly. Lintner and Hanson both cite a figure of between US$150 million and US$135 million in

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\(^{67}\) Tamara Renee Shie, "Rising Chinese Influence in the South Pacific: Beijing's "Island Fever"," Asian Survey 47, no. 2 (2007).


\(^{71}\) Fergus Hanson, "China’s support of Fiji’s interim regime described as miscalculated," http://www.rnzic.com/pages/news.php?op=read&id=47860.

\(^{72}\) Jian Yang, "China in the South Pacific: hegemon on the horizon?" The Pacific Review 22, no. 2 (2009).
financial support from the PRC to Fiji. In 2008 the PRC allocated approximately US$90 million for Fijian projects while New Zealand provided US$1.76 million (see appendix one). Chinese state news agency Xinhua comments in 2010 that Fijian sugar cane growers have benefitted from 600 tonnes of Chinese fertiliser, Fijian women have been given US$98,825 worth of sewing machines, as well as a US$36.2 million soft loan for Fijian housing. All these reports signal a significant and long term support plan for Fiji from the PRC. D’Arcy comments that such funding puts New Zealand’s stance of exclusion on shaky ground, as Chinese support for Fiji is now far greater than was given by New Zealand even before the 2006 coup. Such soft loans and grants are generally given by the Chinese Ministry of Finance rather than the Ministry of Foreign Affairs or a semi-dependent aid body. This division makes it difficult to accurately calculate the real support from the PRC.

In other areas of the South Pacific, the role of the PRC in the Forum is also being questioned. Henderson comments that despite the PRC not being a voting member of the Forum it is investing large amounts of money in the Forum and increasing diplomatic and trading relationships with the group. Similarly in other areas of the Pacific, what China wants out of the Forum is unknown. In the rest of the literature on the Forum China’s role is predominantly discussed through the media outlets of the Pacific. The Vanuatu Daily Post comments on how the PRC funded the secretariat building for the MSG. Once again comprehensive analysis is difficult to find.

Overall the literature examining the role New Zealand and China have played in Fiji and the implications of that role is very much focused on the implications for the Fijian people as well as the repercussions of South Pacific states looking North rather than South. What is missing is analysis examining how New Zealand will be affected if it maintains its ‘good
governance’ agenda while China offers seemingly unconditional diplomatic and financial incentives to switch allegiances. This thesis seeks to examine the responses to the Fiji coup and assess whether this signals a long term trend for Fiji and the South Pacific Region.

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80 New Zealand under the Clark government focussed on improving governance in the South Pacific, directing aid to improve democratic institutions and the rule of law and championing the Biketawa declaration for the Forum to intervene when good governance is not upheld in the region. This has relaxed more recently with the Key government with a redirection of New Zealand’s aid policy.

Chapter two: Historical context of the 2006 coup

Over the past twenty years, China has undoubtedly stepped up its presence in the South Pacific, but prior to 1990 the PRC influence in the region was much more passive. New Zealand and Australia were the dominant powers in Melanesia and Polynesia, while the United States was most active in Micronesia. China was mainly engaged with the South Pacific through its overseas Chinese population, a focus which began to shift with the increasing diplomatic rivalry with the ROC in Taiwan. This chapter looks at the history of political instability in the South Pacific and Fiji in particular, addressing specifically the politics of race and cultural identity in Fiji and linking these features to other South Pacific states. It examines the relationship between China, New Zealand and the South Pacific, assessing how both New Zealand and the PRC respond to conflict or instability. Then it will examine the changing power dynamics between New Zealand and China in the South Pacific. New Zealand seeks to improve governance, while China engages South Pacific countries in a struggle to diplomatically outmanoeuvre Taiwan. The 1987 and 2000 coups are appraised in detail. Finally, the 1st Ministerial Conference of China Pacific Island Countries Economic Development and Cooperation Forum is examined and its implications for the South Pacific and Fiji in particular are assessed.

Historically, New Zealand and the PRC have had very different perspectives and relationships within the South Pacific. New Zealand shares the colonial heritage of many states in the region and has played a governing role over a number of South Pacific states since 1900. In particular, a chequered rule over Western Samoa. Even today New Zealand has a significant governorship role over the Cook Islands, Niue and Tokelau. China, on the other hand, has played a much more passive role: Chinese migrants were often brought to the South Pacific as indentured labour (much like the Indian Fijian population), or as low wage

83 J. B. Condliffe, "New Zealand's Troubles in Western Samoa," Foreign Affairs 8, no. 3 (1930). 474
84 L. K. Munro, "New Zealand and the New Pacific," Foreign Affairs 31, no. 4 (1953). 635
labourers. These ‘old Chinese’ in the South Pacific tended to integrate with the local populations and engage with local cultures and traditions. This population generally migrated to the South Pacific prior to the 1949 Chinese revolution, so these Chinese were not overtly associated or aligned with either the ROC or the PRC. Because of this, the PRC has taken an active role to encourage overseas Chinese to support the PRC over Taiwan.

Over time, New Zealand has engaged with the South Pacific in a number of ways: through joint initiatives with Australia, solely New Zealand initiatives and through the South Pacific Forum which was formed in 1971 and renamed the Pacific Islands Forum in 2000 in order to recognise the Micronesian member states. The Forum was founded by: Australia, Cook Islands, Fiji, Nauru, New Zealand, Tonga and Western Samoa (now Samoa). It has since grown to include the Federated States of Micronesia (FSM), Kiribati, Nauru, Niue, Palau, Papua New Guinea (PNG), the Republic of the Marshall Islands, Solomon Islands, Tuvalu and Vanuatu. The Pacific Islands Forum has been used by New Zealand extensively with Australia and New Zealand tending to dominate Forum meetings. New Zealand and Australia have even been seen by some commentators to have a hegemonic role in the South Pacific. This “governorship” role New Zealand has played, through the Forum and the pressure being put on states to improve governance standards and implement freer markets through agreements such as PACER and PICTA, can be seen as distinguishing New Zealand and Australia from the rest of the Forum States. While New Zealand views its role as giving a “helping hand” to the South Pacific, a number of Pacific leaders and political

86 Ibid. 17
89 Ibid.
90 Ibid.
92 Ibid.
commentators have perceived New Zealand’s behaviour as “bullying” Pacific states to follow New Zealand’s agenda.\textsuperscript{95}

The Pacific Islands Forum is an area where New Zealand has an advantage over China for relations with South Pacific nations. Being a full member of the Forum, New Zealand has the ability to directly influence matters in the South Pacific, such as the 2000 Biketawa Declaration (further discussed later in the chapter), the RAMSI intervention mission and the Pacific Plan.\textsuperscript{96} However, the Forum is largely a consensus-based institution and so New Zealand’s presence as a voting member should not be overstated. As mentioned in Chapter One, the PRC was made an official Post Forum Dialogue Partner in 1990. While this does not give the PRC voting privileges in the official Forum processes, it allows the PRC to sit in on Forum meetings and raise any Pacific issues or propositions in the Dialogue process that directly follows the Forum. Interestingly, the first Chinese representative to attend a Forum meeting was the Chinese Ambassador to Fiji in 1988, the year after the first Rabuka coup, showing China’s continued interest in the region.\textsuperscript{97}

As noted above, the PRC has historically played a latent role in the South Pacific. This is, in part, due to the complex nature of Chinese foreign policy.\textsuperscript{98} The overseas Chinese may have been active in the South Pacific, but their actions and views must be distinguished from those of the PRC government.\textsuperscript{99} Migrant Chinese are often viewed as the face of the Chinese people in the South Pacific.\textsuperscript{100} The influence of the ‘old Chinese’ has had a largely positive, stabilising effect on the South Pacific, aiding delicate economies of South Pacific states.\textsuperscript{101} These established Chinese have seldom sought political office in the South Pacific and have successfully integrated into local communities.\textsuperscript{102} The newer migrant Chinese, however,

\textsuperscript{95} John Henderson, “The future of democracy in Melanesia: What role for outside powers?,” \textit{Asia Pacific Viewpoint} 44, no. 3 (2003). 238
\textsuperscript{97} Tamara Renee Shie, “Rising Chinese Influence in the South Pacific: Beijing’s "Island Fever”,” \textit{Asian Survey} 47, no. 2 (2007). 314
\textsuperscript{101} Ibid.
pose a problem for the South Pacific, and consequently, for PRC legitimacy in the region. Unlike the established Chinese, these recent Chinese migrants are often interested in becoming rich quickly in the small economies of South Pacific states. Rather than improving the economies of the islands, this has led to increased levels of unemployment and resentment from local Pacific communities. For example, in Tonga in the 1980s there were no Chinese-owned grocery stores in the country; by the early 2000s more than 70 percent of all grocery stores were owned by new Chinese migrants. This influx of new migrants has been argued to be partly responsible for the looting and burning of China Town in the Solomon Islands and the burning of Chinese owned shops in Tonga in 2006.

These new migrants to the South Pacific have not only destabilised the South Pacific by replacing local people in businesses, a growing number of new Chinese migrants have been linked to transnational criminal activities. The underdeveloped legal institutions of the South Pacific may be viewed as easy to deceive: their short jail terms may be worth the gains of such criminal activities. In particular, drug trafficking is becoming a problem for many South Pacific states; in 2000 357 kilograms of heroin was discovered in Fiji after being imported by Chinese migrants, its intended market Australia and South America. Some of these new migrants have arrived illegally in South Pacific states, others have remained illegally after Chinese government-funded projects have been completed, or jumping ship when vessels make landfall. This situation has deteriorated to the extent that illegal PRC migrants now arguably outnumber legal migrants in the South Pacific. This is a problem for South Pacific states as they often do not have the ability to adequately deal with a growing illegal migrant population.

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107 Ibid. 55
110 Ibid. 55
These new migrants, particularly those who remain after PRC government development projects, are becoming an increasing subject of discontent in South Pacific states. The problem is that illegal immigrants cannot simply be deported back to the PRC, because the Chinese government will not accept deportees without travel documents. These take time to arrange and often the request for deportation is denied, giving Pacific states little option but to deal with these illegal immigrants locally, further adding to unemployment and instability problems already existent throughout the South Pacific. Tensions between local populations and Chinese migrants were shown with the 2006 Nuku’alofa and Honiara riots targeting Chinese owned stores. In 2009 Fiji established a specialised Asian immigration unit to deal with illegal migrants, the majority of whom were from the PRC. China, therefore, can be seen as a potentially destabilising factor in the South Pacific. In a similar vein, New Zealand has been viewed as a coercive or ‘bullying’ force.

The end of the Cold War undeniably changed the way states interact, set free from the capitalist/communist ideological dichotomy that divided the international system. This changing face of world politics was in part reflected in the emergence of humanitarian interventions and the “responsibility to protect,” which led to much publicised incursions in Somalia (1992), Haiti (1994), Kosovo (1999) and East Timor (1999). This changing framework in the international community did not escape the South Pacific, which was brought to the forefront with the 1999 East Timor intervention. While conflict and instability had been relatively commonplace in the South Pacific, the growing norm of intervention and the foreign policy directions of the Clark and Howard governments made

113 Ibid. 57
117 Nicholas J. Wheeler, "Review: Humanitarian Intervention after Kosovo: Emergent Norm, Moral Duty or the Coming Anarchy?," International Affairs (Royal Institute of International Affairs 1944-) 77, no. 1 (2001).
intervention more likely. As the ‘strategic governors of the region,’ Australia and New Zealand became interested in stabilising the region.\textsuperscript{119} The policies of the Clark government can be distinguished from those of the Howard government in Australia, however, the coordination of strategies in the South Pacific was often drafted as a unified Australian and New Zealand voice. During this period, particularly in Melanesia a number of high profile conflicts in Papua New Guinea, East Timor, the Solomon Islands and Bougainville encouraged Howard and Clark to adopt increasingly interventionist policies towards the region.\textsuperscript{120}

The culmination of the South Pacific conflicts and the emerging intervention norm was the drafting and adopting of the 2000 Biketawa declaration by the Pacific Islands Forum. Following the 2000 Fiji coup, Clark was no longer willing to accept that instability and conflict in the South Pacific was the ‘Pacific way’ and so, with the help of Australia, Samoa and Kiribati the Biketawa Declaration was drafted.\textsuperscript{121} This document effectively changed the mandate of the Forum. Like other regional organisations such as ASEAN, the Forum had a policy of non-intervention in the domestic political situations of other member states. Biketawa achieved a number of things, some clearly and some less clearly. Biketawa outlines that member states are bound by a number of guiding principles, while recognising that they are sovereign independent states with regional and domestic obligations.\textsuperscript{122} These principles cover a number of areas, notably that member states are to uphold “democratic processes and institutions which reflect national and local circumstances, including the peaceful transfer of power, the rule of law and the independence of the judiciary, just and honest government.”\textsuperscript{123} Therefore, Biketawa tries to encourage democratic governance, while respecting the traditions and domestic situations of individual states. The declaration then goes on to recognise “the importance of averting the causes of conflict and of reducing, containing and resolving all conflicts by peaceful means, including by customary

\textsuperscript{119} Paul Buchanan, “China steps into Pacific power vacuum,” Samoa Observer, 17/09/2009.
\textsuperscript{123} Ibid.
practices. Finally, while the declaration does not specifically address the possibility of armed intervention it provides for a special Forum meeting to “consider other options.”

There are two key issues with the Biketawa Declaration that effectively divide the Forum between the developed nations of Australia and New Zealand and the developing South Pacific member states. Firstly, the emerging norm of intervention and good governance can be seen as a Western concept to be applied to the developing world, not vice versa. The Biketawa Declaration was championed by New Zealand and Australia, yet due to the established political structures of the two states, neither New Zealand nor Australia were likely to be troubled by such guiding principles. This effectively creates a clear divide in the Forum between states that have to actively observe the Biketawa principles and those who do not. Additionally, the declaration is likely to divide the South Pacific further as it is more likely to apply to the politically unstable Melanesian states than to the more stable Polynesian and Micronesian regions. The second key sign of division created by Biketawa is a contradiction in its wording. The document claims to maintain and respect the principle of non-interference, yet in the following section member states are encouraged to show leadership and aid other states as part of the pacific community. The issue with this is that Biketawa is trying to insist that states will not intervene in other member’s domestic politics, and yet it empowers members to intervene in other states domestic politics, albeit voluntarily. This not only confuses the role and position of the Forum, it is yet another instance where New Zealand and Australia are seen to be drafting policy for the rest of the South Pacific.

This principle of intervention contained within Biketawa was first applied in the Solomon Islands conflict in 2003. The RAMSI mission showed the South Pacific that economic and good governance pressure from New Zealand and Australia had the potential to become an invasive threat to a number of South Pacific states. While the situation in the Solomon

124 Ibid.
Islands clearly was an unprecedented humanitarian disaster in the South Pacific and the RAMSI force was there under the invitation of the Solomon Islands government and a Forum mandate, it can be seen as further polarising the South Pacific by having a force made up of predominantly Australian and New Zealand forces, keeping the peace. This fear of intervention has not been alleviated with the RAMSI mission lacking a clear exit strategy and armed forces still present in 2010.  

Aside from the RAMSI intervention, New Zealand’s policy direction to the South Pacific has followed a similar tone; based on good governance and regionalism in the South Pacific. RAMSI can be seen as the most extreme example of this, but there are many other instances that are less direct. New Zealand’s aid policy in the early 2000s became increasingly focused on improving the way South Pacific states govern, preferably towards a Western democratic way. For example, the 2005 Fiji Background Paper and NZAID/Fiji Country Strategy seeks “to strengthen governance, particularly in the areas of public service, law and justice and human rights.” This focus is mirrored by Australian policy as well as by the European Union through the Africa, Caribbean, and Pacific (ACP) group. The problem with this approach, as Pettman notes, is that focussing on good governance can in fact be counterproductive, as New Zealand and Australia no longer have a monopoly over access to South Pacific states with the region looking more and more towards Asia. This shows that New Zealand’s strategy towards the region may be out of touch given South Pacific states increasingly have other options for financial and political support.

**China, Taiwan and engagement abroad**

While New Zealand had been focussing on improving governance in the South Pacific, the PRC had been engaging in a different way. As previously stated, interaction between the PRC and the South Pacific became focused on ‘chequebook diplomacy’: starting with diplomatic interaction with Fiji in 1975 and increasing dramatically in the 1990s to fight for

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131 Cited in Ibid.
132 Chequebook diplomacy involves providing financial support primarily for recognition or support on international issues see Xavier La Canna, "PAC: Incoming Taiwan Leader Vows to end Dollar Diplomacy," AAP General News, 27/03/2008.
international recognition. This was a particular sore point for the PRC as it had been denied the ‘China seat’ on the United Nations until 1971; 22 years after the PRC established control over mainland China. Until this point the ROC in Taiwan retained UN membership, despite having little or no influence over mainland affairs. This conflict over UN recognition continued up until 1991 with the ROC attempting to regain UN membership under the ‘China’ banner. This fight for international recognition, and consequently legitimacy as a state, led the two powers to turn to the South Pacific. As all UN member states have one vote in the General Assembly, irrespective of size, Pacific states can be seen as being disproportionately powerful in the UN. They often have very small populations (with the exception of PNG) and very little power in the South Pacific region. This meant that, for the least capital, the PRC and the ROC could effectively buy recognition from South Pacific leaders.

This jostling for recognition can characterise the way that the PRC interacted with South Pacific states and marks the emergence of the ‘no strings attached’ aid policy. Despite continual assurances from PRC leaders that ‘aid’ given to the South Pacific was unconditional, the underlying requirement was that states were to recognise the ‘one China policy’. This condition may have been more significant than it seemed as states were to recognise either the ROC or the PRC, to the exclusion of the other. This meant that trading relationships became very difficult, if not impossible, to develop with the unrecognised party, having significant economic implications for South Pacific states. However, in the case of Fiji this was not as clear: Suva managed to officially recognise the PRC, while still

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133 Tamara Renee Shie, "Rising Chinese Influence in the South Pacific: Beijing's "Island Fever"," Asian Survey 47, no. 2 (2007). 316
135 Ibid.
136 Winberg Chai, "Relations between the Chinese Mainland and Taiwan: Overview and Chronology," Asian Affairs 26, no. 2 (1999). 72
maintaining its relationship with Taiwan through an unofficial embassy in the Fijian capital.139

Despite the ROC ceasing its attempts to claim the UN ‘China seat’ in 1991, Taiwan had a new diplomatic objective: recognition as an independent international actor.140 Somewhat surprisingly, this new diplomatic objective did not change the nature of the interactions with the South Pacific; in fact it can be seen to have intensified them. Between 1971 and 1991 the PRC was attempting to maintain its UN seat and the ROC was attempting to get it back. In the 1990s, both economies of the PRC and ROC had developed significantly since diplomatic engagements with the Pacific began in the 1970s and as a result the “cheques” to South Pacific states were bigger. The Taiwan Straits crisis of 1996 was reflected in the diplomatic engagements with the South Pacific as the diplomatic conquest for recognition of ‘one China’ or an independent Taiwan increased.

From a South Pacific perspective, this hunt for recognition could be seen as beneficial for poor underdeveloped states. However, such foreign support can only loosely be termed ‘aid’, because much of the funds were put into ostentatious displays of either China or Taiwan’s affection for the state in question and not in traditional aid areas, such as, health, education and core infrastructure.141 China has been responsible for the building of a US$2 million multipurpose sports facility in Fiji as well as a US$5.5 million national sports facility in Kiribati.142 Often ROC or PRC funds were allocated to building parliamentary buildings and sports centres.143 This approach has not always been seen as positive for South Pacific states, particularly in the Solomon Islands where the ROC, in particular, has been criticised for effectively prolonging the conflict.144 Even in more peaceful areas of the region, such grand gestures by the ROC and PRC have had a number of negative consequences. Primarily, such projects were paid for and constructed by the donor using Chinese labour (particularly

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140 Winberg Chai, ”Relations between the Chinese Mainland and Taiwan: Overview and Chronology,” Asian Affairs 26, no. 2 (1999). 72
142 Tamara Renee Shie, ”Rising Chinese Influence in the South Pacific: Beijing’s ”Island Fever”,“ Asian Survey 47, no. 2 (2007). 312
143 Ibid. 312
144 Terrence Wesley-Smith, ”China in Oceania: New Forces in Pacific Politics,” in Pacific Islands Policy (Honolulu: East West Centre, 2007). 2
in the case of the PRC.\textsuperscript{145} As discussed earlier, this has caused a substantial illegal immigrant problem in many South Pacific states, as many foreign labourers remain after construction has been completed.\textsuperscript{146} The second key issue with the China-Taiwan rivalry has been the maintenance costs of ROC and PRC projects which are often too high for impoverished states to support and so many of these buildings or structures are falling into disrepair. For example, the PRC has built a US$12.9 million swimming complex in Samoa that would be problematic even for a state the size of New Zealand to maintain.\textsuperscript{147}

Despite the obvious contest for recognition, the PRC engagement in the South Pacific remained on a small scale. In 1991, a Chinese diplomat told officials in New Zealand that South Pacific states were “of little direct importance to China”, even suggesting that the PRC embassy in Fiji may be closed down.\textsuperscript{148} Throughout the 1990s, the PRC seemed to be only interested in maintaining its recognition base in the South Pacific and thereby contesting Taiwanese power in the region.\textsuperscript{149} It could be argued that this policy became considerably more confident in 1999 and Chinese trade with the region increased 93.6%, mainly due to raw materials sourced from PNG and the Solomon Islands.\textsuperscript{150} At the same time, the PRC built an open air stage for the Punanga Nui marketplace, the first of three projects along with the construction of two bridges.\textsuperscript{151} This may be seen as a key turning point for the PRC’s view towards the South Pacific, perceiving South Pacific states as a potential source of raw materials, rather than simply a battle-ground for recognition.

This engagement in the South Pacific outside of ‘One China policy’ recognition was continued throughout the region. In 2004, the PRC began constructing a US$1.5 million Rarotongan courthouse and began planning a $3.7 million police headquarters.\textsuperscript{152}

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\textsuperscript{147} Fergus Hanson, "China: Stumbling Through the Pacific," (Lowy Institute for International Policy 2009). 5


\textsuperscript{149} Ibid. 192

\textsuperscript{150} Ibid. 193

\textsuperscript{151} Tamara Renee Shie, "Rising Chinese Influence in the South Pacific: Beijing’s "Island Fever"," \textit{Asian Survey} 47, no. 2 (2007). 311

\textsuperscript{152} “China to provide $1.5 million for Cooks projects,” \textit{Cook Islands News}, 10/09/2008.
with Tonga, which had been negligible in 1998, had grown so that the PRC was Tonga’s second largest export partner and fourth largest import partner by 2004.\(^{153}\) This trend was repeated in Fiji with US$250,000 worth of military equipment and stores and US$30,000 worth of office equipment for the Fijian parliament supplied by the PRC.\(^{154}\) This heightened level of engagement with the South Pacific was not only through physical gifts from the PRC, but diplomatic engagements also intensified with the heads of state of eight Pacific countries visiting Beijing between 2004 and 2005 financially supported by the PRC government.\(^{155}\) By 2008 the PRC was spending more than twice as much as New Zealand in the South Pacific (see appendix one for a detailed breakdown of financial support in 2008).\(^{156}\)

Perhaps the more telling engagements of the PRC in the South Pacific are the improvements to resource access in the South Pacific. The region has valuable timber, mineral and fisheries assets, all of which have been approached by the PRC.\(^{157}\) The logging imports from the Solomon Islands and PNG have already been cited. In terms of fisheries, the PRC has developed Memorandums of Understanding (MOU) regarding fishing with the Cook Islands, Fiji, Micronesia, Papua New Guinea and, until it changed its policy to recognise the ROC, Kiribati.\(^{158}\) In terms of mineral exploitation, the PRC has begun negotiations with PNG over potential copper and methanol projects.\(^{159}\)

Thus, PRC interests in the South Pacific have increased, as has speculation over the role the PRC plays in the South Pacific, in particular the implications for the stability of the region. Australia and New Zealand have increasingly complex aid policies attaching more onerous conditions to grants.\(^{160}\) With countries like Australia and New Zealand pushing regional instruments such as the Pacific Plan, the seemingly haphazard funding allocation of the PRC may be a better option for Pacific states. The potential for instability of the status quo appears to come from the three main engagements mentioned above along with the


\(^{154}\) Ibid. 312

\(^{155}\) Ibid. 311

\(^{156}\) Please note financial grants from the PRC totalled US$53.3 million with loans of US$153 million compared with the NZAID total of US$98.9 million.


\(^{159}\) "PNG mining deal with China called into question," Post-Courier, 10/02/2010.

ROC/PRC rivalry. If South Pacific states receive comparatively ‘unconditional’ grants from the PRC, they are likely to increasingly accept PRC funds over the condition-bound aid from New Zealand and Australia, thereby making instruments like the Pacific Plan less likely to be followed.

Throughout this period, Fiji has stood out from other South Pacific nations in its dealings with the PRC and the ROC since its recognition of the PRC in 1975. While other Pacific states have been largely committed to the PRC or the ROC or have even in some cases switched sides, Fiji has officially supported the ‘one China’ model while still having regular diplomatic contact with representatives from the ROC. The strategic location of Fiji between Polynesia and Melanesia, combined with its relative wealth and the fact that it is home to both the University of the South Pacific and the Secretariat of the Pacific Islands Forum, means it is a desirable partner in the South Pacific. By successfully managing its relationship with the adversaries, Fiji has managed to receive funding for projects from both the PRC and the ROC.

This relationship has not been entirely positive for the two parties however, with union movements in Fiji claiming the influx of Chinese labour has depressed wages and working conditions as well as making it more difficult for Fijians to find jobs. Furthermore, in such a racially divided country, the increased number of Chinese immigrants in Fiji may well lead to racially motivated unrest such as the anti Chinese riots in Tonga and the Solomon Islands.

The colonial history, fragmented political structure and divided racial society, along with Fiji’s strategic location bordering both Polynesia and Melanesia make it a good case study to draw conclusions regarding the rest of the South Pacific. New Zealand and China have engaged Fiji in a similar manner to other South Pacific states, China through limited government engagement and New Zealand in a more comprehensive political relationship. While Fiji is far from unique in its colonial history and political unrest in the South Pacific, it is a nation divided by ethnicity. This divide has emerged for a number of key reasons. Prior

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to western colonisation, Fiji was effectively a factionalised tribal society with no overarching system of national control, individuals acted under the guidance and direction of their local chief rather than any federal authority.\(^\text{165}\) This allegiance was, however, contingent on the competency of the chief as a leader and guide and correspondingly, should the chief act against the wishes of the people he could be deposed.\(^\text{166}\) Such action can be seen as an early instance of coup d’état by the Fijian populace and is exemplified by numerous cases of chiefs being overthrown when they are deemed unworthy by their subjects. Such action is enshrined by the Fijian word “Vuaviri” which has a similar meaning to coup d’état.\(^\text{167}\) Like many South Pacific states who say that their political deviances from the Western democratic model are the ‘Pacific way’, it seems that physically removing leaders from power is part of Fiji’s cultural political structure.\(^\text{168}\)

With the European colonists came Indians in large numbers who were used as indentured labour, causing an ethnic rift in Fiji as the colonists attempted to force the two ethnicities to interact with each other peacefully, despite them having completely different beliefs, value systems, cultural practices and social aspirations.\(^\text{169}\) Ethnic Fijians tended to be more sociable and engage in subsistence living, growing crops all year round, not needing to accumulate resources. In contrast, the Indian migrants tended to be more insulated and focussed on the accumulation of resources, having come from hardship and poverty in India.\(^\text{170}\) Consequently, ethnic Fijians tended to view Indo Fijians as stingy and greedy while, Indo Fijians often viewed ethnic Fijians as backward and lazy.\(^\text{171}\) This division is present today and can be seen throughout the South Pacific region with the new Chinese migrants falling into the same stereotypes as the Indo Fijians as they buy up local businesses.\(^\text{172}\)
With Independence in 1970, ethnic Fijians sought to limit the Indo Fijian influence in society by entrenching ethnic Fijian superiority into the constitution, preventing Indo Fijians from owning land and sharing equal social and political rights. By this stage, Indo Fijians (48.6%) slightly outnumbered ethnic Fijians (46.2%). Despite this, Ratu Mara’s Alliance party dominated by ethnic Fijians won the first election in 1972 winning 33 of the 52 seats in parliament. The general election of 1977 was the first clear indication of constitutional uncertainty and a failure of democratic process in Fiji, with the Alliance party defeated by the National Federation Party (NFP). This victory meant Siddiq Koya was to be the first Indo-Fijian prime minister. However, the predominantly Indo Fijian party which supported equality with ethnic Fijians failed to have enough support to rule alone. This was problematic as they could not find another party to ally with to create policy. Despite attempts to reconcile the crisis, factionalism within the NFP and the Alliance refusing to form a coalition, led the Governor-General to use his power to appoint the most suitable government under s73 (2) of the 1970 constitution. Through this process Ratu Mara for the Alliance was re-instated as prime minister, as an NFP party would have created ‘instability.’ This failure to honour the election results can be viewed as a failure of democracy in Fiji, as it would appear parties only had a mandate to rule if they served ethnic Fijian interests. This is further illustrated by the head of the Fijian military, Sitiveni Rabuka threatening to resign rather than serve an Indo Fijian government for which he felt no loyalty.

In 1987 Fiji saw its first change in government since independence in 1970 with the Coalition party winning 28 of the 52 seats in the House of Representatives, with the remaining seats won by the Alliance. The Coalition’s main support group were Indo Fijians, and of the 28 seats, 19 were filled by Indo Fijians with only 6 seats going to ethnic Fijians. Such ethnic disparity was not, however, reflected in the cabinet with 6 ethnic Fijians and 7 indo Fijians.

174 Ibid. 16
175 Ibid. 50
177 Ibid. 215
182 Ibid. 253
Furthermore, all portfolios covering Fijian affairs were held by ethnic Fijians. The new Prime Minister Bavadra was ethnically Fijian, but a low-ranking chief from the west of Fiji. While the cabinet representation largely reflected the ethnic distribution of the population, the ethnic Fijian population felt increasingly dominated by the Indo-Fijian population, for example in 1987 there were 12 ethnic-Fijian lawyers to 197 Indo Fijian lawyers in practice.

This fear towards the Indo-Fijian population was arguably fostered by the Alliance party who asserted that the Coalition was attempting to undermine indigenous Fijian rights, despite such rights being entrenched in the constitution. This was exacerbated by the constitution not being translated into the Bauan vernacular, meaning many ethnic Fijians were unable to read the constitution and understand its provisions. Within days of the Bavadra government taking office, key Alliance members began protesting the legitimacy of the government and claiming that it had a hidden agenda. This situation was exacerbated by alleged CIA financial support for the ousted party due to the newly elected Prime Minister Bavadra’s nuclear-free policy for Fiji. At this point the Fijian military, (still led by Rabuka who was staunchly ethnic Fijian) was 97% ethnic Fijian. Rabuka expressed a fear the public would not support the government and as such the military would have to be called in and possibly attack their own people. Such insecurity compelled Rabuka to seize power in the social interests of ethnic Fijians and the national interests of Fiji.

The New Zealand response to the 1987 Rabuka coup must be seen in light of New Zealand’s stance towards the South Pacific under the Lange government in the 1980s. New Zealand had adopted its nuclear-free position and worked towards a nuclear-free South Pacific region. It is unsurprising then, given New Zealand’s increased focus on the South Pacific after the Muldoon government, that the May 14 1987 coup was reacted to swiftly by condemning

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183 Ibid. 253
185 Ibid. 92
187 Ibid. 256
190 Ibid. 97
the actions of Rabuka and severing military and development assistance aid. What was significant was the clear divergence that followed between New Zealand’s policy and that of Australia, while both states reacted in the same way following the coup. Australia soon realised that sanctioning Fiji would do little to change the political situation and so Canberra’s tone became more conciliatory. Conversely, the Lange government in New Zealand, rather than attempting to engage with Fiji, began putting in place more political conditions for the resumption of aid, even though those political conditions were very unlikely to be met. This stance shows New Zealand’s transition towards a policy that was increasingly independent from Australia in the South Pacific, focussing on good governance and democratic values.

As a full voting member of the South Pacific Forum during this period, New Zealand attempted to use the Forum as a means to pressure Fiji into returning to fair democratic rule. This policy was however, still undeveloped and the change in government from a Labour government to a National government in 1990 sparked a re-think of what were seen as some of Lange’s more “radical” policies. The political stance New Zealand had taken towards Fiji under the Lange government could not be the focus for future foreign policy. As a consequence, aerial surveillance under the Driftnet Treaty was to resume over Fijian waters with military engagements only to resume after elections had been held.

Very little can be said about the PRC response to the 1987 Fiji coup; despite the PRC having diplomatic relations with Fiji since 1975, the coup appears to have done little to disrupt relations. Fijian Prime Minister Ratu Mara visited Beijing in 1988 just a year after the coup. As the PRC was not heavily involved in the region at the time this lack of a stance towards Fiji

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194 Interestingly, as Fiji had hosted the previous forum in 1986 they were chairing the Forum at the time of the 1987 coup
surrounding the Rabuka coup is unsurprising, particularly given China’s comparatively limited relationship with powerful South Pacific states such as the United States, Australia and to a lesser extent New Zealand.

The overall impact of New Zealand’s stance towards Fiji appears to have been limited. Despite the Lange government removing military ties with Fiji as well as development aid, the undemocratic government remained until 1992 when elections were held for the first time since the military takeover.\(^{198}\) This may have been due in part to a weaker Australian position, but it was still clear that New Zealand was unable to directly influence the regime of a South Pacific state through sanctions and tough words alone.

The 1999 general election in Fiji saw the majority elect a party with an Indo Fijian majority. Once again, rhetoric was used alleging an Indo Fijian plot to remove ethnic Fijian supremacy and change the constitution to allow Indo Fijians to buy land.\(^{199}\) This apparent shift in power between ethnic groups was seen as compelling a group of lower ranking members of the military (in particular Rabuka’s Counter Revolutionary Unit) alongside ethnic Fijian business owners to re-assert ethnic Fijian dominance.\(^{200}\) During this time, the democratically elected Chaudhry government was held hostage in the parliamentary buildings for 56 days. Throughout this period, uncertainty over who was running the country and how the crisis could be resolved resulted in spates of civil disorder and increasing distrust, not only by the public and military, but also between those involved in orchestrating the coup.\(^{201}\)

The New Zealand response to the 2000 Speight coup was like that of David Lange in 1987. The Clark government began by criticising the unlawful seizure of power and supported the immediate reinstatement of the democratically elected leader, Mahendra Chaudhry.\(^{202}\) New Zealand then went further to criticise the Fijian Great Council of Chiefs for replacing the Chaudhry government with an interim administration.\(^{203}\) Once again, like the Lange government in 1987, Clark rapidly accepted that the situation in Fiji was unlikely to be


\(^{201}\) Ibid. 381


\(^{203}\) Ibid.
resolved through words and military ties were severed along with a ban on people associated with Speight entering New Zealand.\textsuperscript{204} One of the key differences and a sign that New Zealand policy was changing towards the South Pacific and Fiji, in particular, was the decision to bypass the Pacific Islands Forum and put in place travel and military cooperation sanctions without Forum approval or an established Forum position on the Speight coup.\textsuperscript{205} While Lange had attempted to use the Forum to develop a coherent policy on political instability in the South Pacific, Clark was insistent that the Forum needed to develop a position that protected democratic rights in the South Pacific, thus the Biketawa Declaration was drafted to be put up for voting at the October 2000 Forum meeting.\textsuperscript{206}

The response by Australia and New Zealand to the 2000 coup can be explained by a number of key factors. Firstly, the failure of the Lange government’s sanctions against the 1987 coup meant that New Zealand was likely to apply more pressure on Fiji and avoid the Pacific Islands Forum as a means for a joint plan towards Fiji. Secondly, opinion across the Tasman had changed towards the South Pacific: under the Howard government, Melanesian instability was seen as a threat to Australian security and, rather than adopting an engagement strategy, Howard focused on a containment plan.\textsuperscript{207} This provided a more united front for New Zealand to work from and a more coherent policy approach.

In contrast to the New Zealand response to the 2000 Fiji coup, the PRC did not place sanctions on Fiji or actively criticise the Speight takeover of power. China was focussed on its diplomatic rivalry with the ROC, the domestic politics of Fiji were largely irrelevant to their interests in Fiji and the region.\textsuperscript{208} This approach was commended by the Fijian Prime Minister Laisenia Qarase in 2002 after a visit to China, who praised the PRC government for not imposing sanctions after the previous Fiji coups.\textsuperscript{209} Despite being considerably more active in the South Pacific in 2000, the PRC was still not willing to proactively address instability in the South Pacific. This is not altogether unreasonable, the PRC has a very

\begin{thebibliography}{9}
\bibitem{204} Ibid.
\bibitem{205} Ibid.
\bibitem{206} Ibid.
\bibitem{208} See G Dobell, “China and Taiwan in the South Pacific: Diplomatic Chess versus Pacific Political Rugby,” (Lowy institute for International Policy, 2007).
\end{thebibliography}
different political structure to New Zealand and as such, is unlikely to support a return to democracy in the South Pacific when the PRC does not have a democratic government itself.

The 1st Ministerial Conference of China Pacific Island Countries Economic Development and Cooperation Forum

The regional importance of Fiji made it the most logical place for the April 2006 1st Ministerial Conference of China Pacific Island Countries Economic Development and Cooperation Forum held in Suva. This meeting can be seen as a turning point in PRC-South Pacific relations as well as Sino-Fijian relations. The conference sought to affirm and improve relations between the PRC and the Pacific, through economic and diplomatic cooperation. This meeting was also the first time the PRC clearly defined the relationship it had with South Pacific states and cast a degree of doubt over the ever-present claims that China gave aid with “no strings attached.”

In the opening speech of the conference Premier Wen set out the relationship between island states and the PRC:

As a Chinese saying puts it, "Just as distance tests a horse's strength, time will show a person's sincerity." As far as China is concerned, to foster friendship and cooperation with the Pacific island countries is not a diplomatic expediency. Rather, it is a strategic decision. China has proved and will continue to prove itself to be a sincere, trustworthy and reliable friend and partner of the Pacific island countries forever.

This statement, along with the rest of the rhetoric used in Premier Wen’s speech of “equals” and “friends”, claims that the money the PRC was giving the Pacific was not a hand-out or ‘aid’, but a mutually beneficial transaction. Wen stated "China has funding and technical expertise. The island countries are rich in natural resources." While raw materials are important to the PRC, this comment needs to viewed in the context of PRC-ROC rivalry. In July 2006, Chinese Assistant Minister of Foreign Affairs, He Yafei, told the New Zealand Ministry of Foreign Affairs and Trade that Taiwan’s actions in the region were

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212 Ibid.
destabilising. China was attempting to promote economic and socially-sustainable development, something that was being undermined by the ROC in the South Pacific. This was shown with the allocation of nearly NZ$600 million in preferential loans to encourage greater cooperation in resource development, in particular agriculture, forestry, fishing, tourism, textiles, consumer products manufacturing, telecommunications, aviation and ocean shipping. This commitment can be seen as a clear example of China setting itself up for resource exploitation in the South Pacific. The funds allocated for this are not grants but “soft loans”, the South Pacific is getting into debt in order to finance resource exploitation that will benefit the PRC (see appendix one for a detailed breakdown of financial support in 2008). However, these are ‘soft loans’ with the implication that they will be written off over time, and also the economies of South Pacific states may benefit from such activities.

The conference revealed a number of other policies that appear to be more in the South Pacific states’ favour. China “pledged to give zero tariff treatment to the majority of exports to China from the least developed countries in the region that have diplomatic ties with China.” ‘Diplomatic ties’ may be read as ‘states that support the one China policy.’ In terms of healthcare, China would commit to providing free anti-malaria medicines to affected states as well as engaging in further training exercises with South Pacific medical practitioners. Furthermore, China would commit to providing training for 2000 government and technical staff to assist in capacity building. Perhaps one of the more significant outcomes of the meeting was the approval of PNG, Samoa and the Federated States of Micronesia as approved destinations for Chinese tourists and consequently, including all

214 Ibid.
219 Ibid.
states that recognise the PRC in this Approved Destination Status (ADS) agreement.\textsuperscript{220} This is significant as many South Pacific states have economies that are reliant on tourism and the potential benefits of such a scheme are considerable.

So overall, the 1\textsuperscript{st} Ministerial Conference of China Pacific Island Countries Economic Development and Cooperation Forum can be viewed as the clearest statement of intent that the PRC has for the region. The South Pacific nations who recognise the PRC are to be treated as an equal to China and will benefit from such a relationship. With this equality the PRC is effectively guaranteeing resources for Chinese manufacturing and Chinese consumers. Furthermore, despite conditionality for a number of the commitments being based on recognition of the ‘one China’ policy, competing diplomatically with Taiwan can no longer be seen as the sole reason for Chinese interactions with South Pacific states. PRC policy in Africa is a similar example of where resources are becoming a supplementary benefit for China-ROC rivalry.\textsuperscript{221} In fact, the 2006 Forum on Africa-China Cooperation (FOCAC) summit strongly mirrored the 1\textsuperscript{st} Ministerial Conference in the South Pacific.\textsuperscript{222} Chinese demand for raw materials and a desire to be seen as a responsible international actor have meant that their interactions with developing states have become more than chequebook diplomacy.\textsuperscript{223}

In conclusion, New Zealand and the PRC have developed very different approaches towards the South Pacific due to a number of factors: the motivations of the two sides, the political and power constraints of the two nations as well as their relations with other powerful states in the region and the South Pacific states themselves have caused them to view the region in different ways. New Zealand has clearly developed a policy of improving and entrenching good governance and democratic values in the South Pacific, pushing this agenda even if it is unlikely to directly change the political situation in South Pacific states. Meanwhile, the PRC has been, until recently, predominantly devoted to a battle over recognition with Taiwan in the South Pacific, and has only in the last ten years really started seeing the potential of other resources in the South Pacific that may be exploited. It seems

\textsuperscript{220} Ibid.
\textsuperscript{221} Deborah Brautigam, "China’s Foreign Aid in Africa: What Do We Know?," in China in Africa, ed. Robert Rotberg (Brookings Institution Press, 2008). 202? am not sure why the ref is in braces..
\textsuperscript{222} Ibid. 207
\textsuperscript{223} Ibid. 207
that the PRC is looking to increase its ties with the South Pacific diplomatically and strategically which has the potential to disrupt the traditional role New Zealand has played in the region. The following chapter discusses how these two seemingly independent objectives clash when New Zealand attempts to pressure Fiji financially and politically to hold elections, while the PRC increases funding and political cooperation to secure Fijian resources and its strategic position.
Chapter three: Unilateral responses to the 2006 Fiji coup

The 2006 Fiji coup was the fourth since independence for the Melanesian State. Both New Zealand and the PRC have significant interests in Fiji, so any political upheaval or instability in Fiji and the South Pacific region has to be seen as potentially impacting upon those interests. This chapter looks at the unilateral responses by both New Zealand and the PRC to the 2006 coup immediately following the seizure of power in 2006 up until the end of 2010. The direct and indirect policies and approaches to Fiji are assessed based on the implications for New Zealand, the PRC, Fiji and the wider region. While New Zealand adopted a hard line approach to pressure the Fijian government to hold democratic elections, the PRC continued to engage and enhance its relations with Fiji as it had done before the 2006 coup.

The 2006 Fiji Coup

Signals suggesting a coup d’état orchestrated by Bainimarama could take place can be identified as early as the 2001 Fijian general election. Despite Bainimarama appointing Qarase as interim Prime Minister following the 2000 coup, the relationship between the two men began to sour with revelations that the Fijian Ministry of Agriculture used millions of taxpayer funds to effectively buy votes in the 2001 general election through affirmative action policies.\(^\text{224}\) As a strong anti corruption critic, Bainimarama was further troubled by Qarase’s appointment of Qoriniasi Bale in the position of Attorney-General as Bale had previously been disbarred for trust fund misappropriation a few years earlier.\(^\text{225}\) This division between the military and Qarase’s government increased in the years leading up to the 2006 coup. In 2004, Bainimarama directly pressured the Prime Minister and President to reverse a government order to reduce the sentence of four military officials involved in a mutiny in November 2000.\(^\text{226}\) This issue was of a personal nature to Bainimarama: firstly, because he was nearly killed in the conflict and secondly (and perhaps more importantly), during Bainimarama’s suppression of the mutiny three rebel soldiers were brutally killed by Fijian


military forces. By keeping these men in jail Bainimarama was deflecting culpability for the events surrounding the November 2000 mutiny.

Two key pieces of legislation stand out as turning points for the way Bainimarama viewed Qarase, the Promotion of Reconciliation, Tolerance and Unity Bill (PRTU) and the Qoliqoli Bill. The PRTU was ostensibly set up to apply restorative justice practices to the cases of a number of those responsible for the 2000 coup. This legislation was seen by its supporters as a means to repair some of the damage done by the 2000 coup and to prevent further human rights violations from occurring in Fiji. To Bainimarama and critics of the Bill, this was seen as an attempt to let those involved in the coup off before they had served appropriate sentences for their actions. This feeling was compounded by the conviction and sentencing of coup conspirators being viewed as inequitable. Many of the instrumental figures arguably responsible for the coup were let off with small sentences, for example, Ratu Inoke Kubuabola was posted to Malaysia as the Fijian High Commissioner despite being an important figure in the 2000 coup. The second Bill, that was seen by the military and many others (such as tourist operators) as being detrimental for Fiji, was the Qoliqoli Bill granting native rights to the area between the foreshore and the high water mark. This area would be available for the unfettered use and enjoyment of the resource owners, who happened to be ethnic Fijians. This meant substantial fishing and access rights would be released from crown ownership. Unsurprisingly, criticism was levelled at the government not only for giving away such a valuable crown resource, but also because this would lead to a potential collapse of the tourist industry that relied on access to these areas, not to mention the further entrenchment of divisions between ethnic and Indo Fijians. What these two Bills did is effectively alienate the public from the government and align them with the military. Corruption was clear through numerous government embarrassments relayed in the media and the poorly-drafted and seemingly-damaging legislation also distanced the

227 Ibid. 24
229 Ibid.
233 Ibid.
234 Ibid.
The military, on the other hand, was asking for what the people wanted, a more transparent government and one that acted in the long term interests of Fiji.

Prior to the 2006 Fijian general election, it was clear that Bainimarama was becoming increasingly displeased with the Qarase administration. The military was sent to villages by Bainimarama to actively campaign against the government. This policy was attacked by Qarase saying that it was not the role of Bainimarama or the military to influence the democratic election process in Fiji. Eventually, a truce was called by the Vice-President Ratu Joni Madraiwiwi in January 2006 but this was short-lived, being broken only a few months later when Bainimarama returned to the campaign trail after allegations Qarase was attempting to have him replaced. In May 2006, the day Parliament was dissolved, 500 RFMF soldiers marched the streets of Suva dressed in full battle gear, another key sign that the military held the true power in Fiji.

The 2006 general election saw Qarase’s SDL party returned to power with 36 of the 71 seats, with the FLP winning 31 seats. This division reflected the racial divides in Fiji as 80% of ethnic Fijians voted for the SDL, while 83% of Indo Fijians voted for the FLP. Once again, Fiji was shown to be politically divided down the middle. Given this clear ethnic and political rift in Fiji, Qarase surprised many commentators by attempting to put together a multi-party cabinet made up of both the SDL and FLP. Furthermore, high profile Ministries such as Agriculture, Trade and Commerce were offered to the FLP. This may be seen as an attempt to unify the government with the overarching threat of the RFMF looming over Qarase. The proposition was not initially welcomed by the FLP with leader Chaudhry sceptical of the move and insisting that he should be able to choose the members for the portfolios offered. Adding to the confusion over the way the multi-party Cabinet would work, Chaudhry then attempted to be made the leader of the opposition, despite his own party members holding cabinet positions in the government.

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236 Ibid. 25
237 Ibid. 25
238 Ibid.
239 “Military show of force no comfort for Fiji,” Fiji Sun, 28/03/2006.
The makeup of the multi-party cabinet was soon untenable, as Chaudhry held back from truly engaging and Qarase failed to actually decide on the way the multi-party cabinet would work. Even though Qarase attempted to reduce tensions by including FLP leaders in the government, a number of controversial people were put in high profile positions, most notably Ratu Naiqama Lalabalavu who was appointed as Minister of Fijian Affairs, despite being convicted for inciting mutiny in the 2000 coup. Additionally, Land Forces Commander Jone Baledrokadroka was shortlisted for the role of Commissioner of Prisons, even though he had been dismissed from the RFMF and was facing charges of insubordination and indiscipline after an attempt to overthrow Bainimarama in January 2006. Despite creating a multi-party cabinet Qarase was intent on passing the controversial PRTU and Qoliqoli Bills both of which had been heavily criticised by the FLP in the lead up to the 2006 election.

Not only had Qarase appointed people to cabinet that Bainimarama had personal and professional grievances with, he had also continued to attempt to pass legislation that Bainimarama did not believe in and had actively campaigned against. All of this pushed Bainimarama further and further away from the government. In October 2006, Bainimarama announced that the government had three weeks to change its behaviour or resign as he left for a tour of Fijian peacekeepers in the Middle East. Rather than easing the tensions with the RFMF, the government made its position worse by attempting to remove Bainimarama while he was out of the country. This attempt failed as RFMF soldiers backed the Commodore and not only consolidated Bainimarama’s control over the RFMF, but also further distanced the Fijian public from the government. Such tactics were seen as underhanded, particularly given that Bainimarama had a dedicated following and increasing public support. While the relationship between the military and the government was deteriorating, the Police force began aligning itself with the government, with the Commissioner of Police, Andrew Hughes alleging Bainimarama was accountable for a raft of

242 "Military show of force no comfort for Fiji," Fiji Sun, 28/03/2006.
244 Ibid.
offences, including seditious comments, and illegally preventing a commission of enquiry over the November 2000 mutiny.\(^{245}\)

By November 2006, Bainimarama was ‘non negotiable’ in his demands that the police drop any investigations over the 2000 mutiny as well as demanding a host of other concessions from the government and police.\(^{246}\) On the 29th November 2006, New Zealand attempted to break the impasse with Helen Clark using Bainimarama’s personal visit to New Zealand as an opportunity for mediation between Bainimarama and Qarase.\(^{247}\) During this meeting Qarase gave in to almost all of Bainimarama’s demands,\(^{248}\) whether he intended to actually put these into action remains up for speculation as Bainimarama reneged on the deal as soon as he returned to Fiji.\(^{249}\) By this stage, strategic military and government assets around the country had been secured and the military had unfettered access to the Fijian President. The coup planning was all but complete and at 6pm on 5 December 2006 Bainimarama declared that he had assumed power claiming that “circumstances forced us to take control.”\(^{250}\)

**New Zealand’s Response to the 2006 Fiji Coup**

New Zealand made an attempt to resolve the conflict between Bainimarama and Qarase in November before the coup took place, a meeting which appeared to have resolved much of the tension through Qarase’s concessions.\(^{251}\) New Zealand’s rapid and decisive responses to the previous coups, combined with New Zealand’s increasingly interventionist role in the South Pacific through the implementation of the Biketawa declaration and the RAMSI intervention made New Zealand’s response to the coup almost predictable.\(^{252}\) The Clark government along with the Howard government in Australia had become increasingly concerned about instability in Melanesia destabilising the entire South Pacific region.\(^{253}\) This view was compounded by arms trafficking between the conflicts in Bougainville, the

\[^{245}\] “Fiji military warns police not to arrest commander,” FijiLive, 02/11/2006.

\[^{246}\] Ibid.

\[^{247}\] “Fiji Prime Minister, army chief to meet in New Zealand,” FijiLive, 29/11/2006.


\[^{250}\] “Bainimarama declares himself Head of State,” FijiTimes, 05/12/2006.


Solomon Islands and East Timor.\textsuperscript{254} It was with this perspective that Howard and Clark viewed the political instability of one Melanesian state to be a threat to the entire region and to New Zealand and Australian interests in the region.\textsuperscript{255}

On the 5\textsuperscript{th} of December 2006 Wellington announced a “wide range of sanctions” for Fiji and extended those sanctions on the 6\textsuperscript{th} of December 2006.\textsuperscript{256} This immediate political response to the coup was somewhat unsurprising given the aforementioned premeditated nature of Bainimarama’s move to seize power.\textsuperscript{257} The unilateral sanctions imposed by New Zealand strongly resembled those of the Australian government. This similarity reflected the unified approach New Zealand and Australia had begun to take towards Melanesia and the South Pacific. These covered the following areas: high level ministerial and government contacts, immigration and travel bans, defence ties, sporting contacts and development assistance.\textsuperscript{258}

Firstly, ministerial contact between New Zealand and Fiji would be limited to mediation and dialogue and members of the new government were banned from travelling to New Zealand.\textsuperscript{259} Secondly, no RFMF members, their families or any other individuals connected with the coup would be able to travel to New Zealand. All seasonal working agreements that were currently being undertaken would be stopped for Fijian citizens and no new applications could be made for Fijians.\textsuperscript{260} Any members of the RFMF currently in New Zealand would be prevented from furthering any training and would be required to leave the country immediately.\textsuperscript{261} All sporting contact would be severed between New Zealand and Fiji unless international competition rules or legal rules required Fijian participation regardless of the level of sport.\textsuperscript{262} Finally, development assistance that had previously been

\begin{itemize}
  \item \textsuperscript{254} See Nicholas J. Wheeler and Tim Dunne, “East Timor and the New Humanitarian Interventionism,” \textit{International Affairs (Royal Institute of International Affairs 1944-)} 77, no. 4 (2001).
  \item \textsuperscript{256} Helen Clark, “NZ imposes wide range of sanctions on Fiji ” Prime Minister’s Office, http://www.beehive.govt.nz/node/27990.
  \item \textsuperscript{257} “Fiji Waits, Wonders as Bainimarama Blusters,” \textit{Fiji Sun}, 03/12/2006.
  \item \textsuperscript{258} ———, “NZ imposes wide range of sanctions on Fiji ” Prime Minister’s Office, http://www.beehive.govt.nz/node/27990.
  \item \textsuperscript{259} Ibid.
  \item \textsuperscript{260} Ibid.
  \item \textsuperscript{261} Ibid.
  \item \textsuperscript{262} Ibid.
\end{itemize}
administered through the Fijian government would be redirected through Non Governmental Organisations (NGOs) operating in Fiji rather than through the Fijian state.\(^{263}\)

Not only was the policy condemning the actions of the coup leaders clear, the wording suggests that the Clark government took the coup extremely seriously.

*The New Zealand Government cannot overstate the severity with which it views the actions of Commodore Bainimarama and the Fiji military. They must cease their disgraceful acts and restore the legitimately elected government, or suffer the consequences of their grossly illegal acts.*\(^{264}\)

The message from New Zealand was extremely clear, Fiji was to return to democratic rule by holding fair and open elections or it would continue to face strict sanctions from New Zealand and risk further diplomatic and financial loss. While this statement was predominantly meant to be directed at the Bainimarama administration, it was likely to also impact upon those Fijians who were not in any way associated with the coup itself.\(^{265}\) For example, the restrictions on sports teams from visiting New Zealand. This was not limited to teams playing under the Fiji banner but also smaller regional teams were excluded from visiting New Zealand.\(^{266}\) This can also be seen in the restrictions placed on the seasonal migrant scheme. Fijians who would have previously been eligible to work in New Zealand under the scheme and had nothing to do with the coup or those responsible were prevented from coming to New Zealand to work.\(^{267}\) The apparent reason for this punishment of those not involved in the coup was to compel the people of Fiji to rise up against this ‘illegal’ change in government and in so doing receive the benefits from New Zealand once again.\(^{268}\)

The immediate impact of the December 5 unilateral sanctions drew considerable criticism from NGO groups as well as important sporting groups and business leaders. On the 7 December 2006 the Coalition for Democracy and Peace, a group of NGOs condemned the

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\(^{263}\) Ibid.

\(^{264}\) Ibid.


\(^{266}\) "Please, no sporting sanctions,’ NZ told ‘, *NZ Herald*, 07/12/2006.


Clark government’s decision to impose sanctions upon Fiji. The Coalition argued that removing scholarships and seasonal worker schemes to Fijians did little to impact upon the military government, instead such sanctions hurt ordinary Fijians who were already worse off because of the political instability, subsequent rises in Value Added Tax (VAT) and the privatisation of Fiji’s water supplies. The Fiji Retailers Association commented that the ban on seasonal workers would harm unemployed Fijians who were in no way involved with coup activities. Furthermore, trading sanctions would hurt retailers and Fijian industry more than it would impact upon the government. The leading Fijian sports administrative body SASANOC also criticised the sanctions claiming that Fijian athletes did not stage the coup and were being unfairly punished for something that was out of their control. Clark responded to this criticism, saying that the sporting sanctions were put in place specifically because sport was so important to the Fijian people. To deal with NGO criticism, it was reiterated that aid was not going to be cut to Fiji but be redirected through NGOs rather than through the military administration.

It was a deliberate decision by the Clark government to target a number of groups and individuals who were not in any way involved in or responsible for the 2006 coup. This was allegedly in order to encourage an uprising against the Bainimarama government. If the people suffered from hardship, such as being unable to represent their country or region in New Zealand sporting competitions or be prevented from being employed under the migrant worker scheme, they would hold the Fijian government responsible and then attempt to affect a change in government. At least that appeared to be the theory behind the policy. However, the Fijian government characterised this move as an unreasonable and unwarranted punishment of the Fijian people by the New Zealand government. The NGO and local business group criticism of the New Zealand government’s sanctioning of the ‘innocent population’ effectively gave credibility to Bainimarama’s claims that outside powers such as New Zealand were unfairly treating Fiji. Despite infrequent and small

270 Ibid.
272 Ibid.
273 "'Please, no sporting sanctions,' NZ told ", NZ Herald, 07/12/2006.
274 Ibid.
275 Ibid.
276 Ibid.
protests against the Bainimarama government following the coup, little public reaction appears to have taken place because of the Clark government’s policy. This may be explained in two ways. Firstly, it may be viewed as a successful characterisation by Bainimarama that the policy was the act of an outside power that did not understand Fiji’s problems. Alternatively the policy may have had little real impact on everyday Fijians, or at least not enough of an impact to motivate them to rise up against the Bainimarama government. Either way, the policy appears to have failed to pressure Fijian’s to protest and risked being used to undermine New Zealand’s condemnation of Fiji following the coup.

While the sanctioning of those uninvolved with the coup may have been a short term policy goal, the impact New Zealand’s other unilateral sanctions had on the Bainimarama administration and the people of Fiji have to be viewed in the context that they were not intended to create immediate change in the Fijian political situation. Foreign Minister Winston Peters stated that the sanctions would be effective in the long term as the international community rallied behind New Zealand and adopted similar stances towards Fiji. New Zealand was relying on unified international condemnation pressuring Fiji to return to democratic rule. Despite the long term aim of the sanctions the relationship between the Clark government and the Bainimarama administration was chilly from the outset. The unilateral sanctions and surrounding rhetoric of the New Zealand government clearly signalled that the sanctions were to remain until ‘free and fair’ democratic elections took place. This position was exemplified when the former President of Fiji was returned to power by the Fiji military in January 2007 following the coup. Acting Minister of Foreign Affairs Ruth Dyson’s stated confirmation that executive authority in Fiji rests with the President does not, on its own, satisfy the many international and regional calls for restoration of democracy and fundamental freedoms in Fiji.

Despite exchanges of political rhetoric surrounding New Zealand’s unilateral sanctions on Fiji, little demonstrable change was seen in the Fijian situation until June 2007, with the expulsion of New Zealand’s High Commissioner to Fiji Michael Green. This conflict arose

277 Ibid.
amidst allegations that Green was attempting to undermine the military administration. Bainimarama insisted that this was an issue concerning Green and not the New Zealand government, as he was happy for another Commissioner to be appointed in the usual manner. Such a statement appears to have been somewhat tenuous as Bainimarama then went on to criticise the New Zealand government for ‘snubbing’ the Fijian High Commissioner in Wellington and failing to engage with the Fijian government in his announcement that Green was to leave Fiji. The Clark government clearly viewed the expulsion of Green as a political move against the New Zealand Government and not against Green as an individual. Foreign Minister Winston Peters stated that Green was acting under New Zealand government orders in all his duties in Fiji and any action to remove Green was “completely unjustifiable.” Peters went on to say that the Bainimarama government ought to “expect a strong reaction” from New Zealand and that increased flexibility in existing sanctions such as the contentious visa ban was very unlikely given Green’s expulsion. This threat was reiterated by Clark saying, “what Fiji has done is a serious and significant act. Our response must be serious and significant...” Clark went on to suggest that this “lashing out” from Fiji was likely to be due to the “very severe pressure the regime has been put under.” The New Zealand government were using Green’s expulsion as evidence not only that New Zealand’s policies were being effective towards Fiji, but also that the Bainimarama government would face further punishment for its actions.

Despite such rhetoric claiming that further unilateral measures would be taken against Fiji, no substantive new sanctions were put in place following Green’s expulsion. This is likely to be due to the hard line that the Clark government had taken with its sanctions in December 2006. Little room was left for New Zealand to intensify its existing sanctions or create new unilateral sanctions to impact upon Fiji. The measures taken by the Clark government appear to cover almost all of New Zealand’s unilateral ties with the Fijian State. New Zealand’s close sporting relationship with Fiji, its relationship as a benefactor to Fiji through aid and the

281 Ibid.
282 Ibid.
283 Ibid.
285 Ibid.
287 Ibid.
Seasonal Migrant Scheme as well as restricting travel for the military, many of whom have family who reside in New Zealand.\(^{288}\) Consequently, it is difficult to see how these sanctions could be extended; it is possible that the government did not believe it could increase its unilateral exclusion of Fiji despite its strong rhetoric. Winston Peters’ comment that “In such circumstances it is difficult to see how we can be expected to show flexibility on issues such as the visa ban”, suggests that rather than actually putting in place new sanctions, New Zealand would just maintain its existing policy towards Fiji.

This failure to further punish Fiji with new or more onerous unilateral sanctions effectively continued up until the 2008 New Zealand General Election. To some degree, this can be explained by the multilateral and external influence New Zealand was attempting to exert on Fiji (discussed in chapter four). Because at this stage the Bainimarama government was committing itself to hold democratic elections in 2009, it is understandable that even if this statement was not seen as entirely credible by New Zealand, it could be interpreted as Fiji responding to international pressure from New Zealand and other actors. Furthermore, even if New Zealand did not take the promises of Bainimarama to hold elections seriously, it is unlikely that other regional actors would agree to a tougher line against Bainimarama given that he had committed to hold democratic elections within the given timeframe.\(^{289}\)

**2008-2010 The impact of New Zealand’s unilateral sanctions under the Key government**

The November 2008 election saw the incumbent Labour coalition ousted and replaced by a National coalition government led by National Party leader John Key. The ‘Fiji issue’ was on the agenda shortly after the election with the new Minister of Foreign Affairs Murray McCully insisting that New Zealand would put renewed pressure on Fiji to hold democratic elections.\(^{290}\) This initial phase of policy development and interaction with Bainimarama and Fiji can be seen as ‘testing the waters’, particularly given that the National Party had to work with the previous government’s policy of exclusion towards Fiji. In the lead up to the 2008 election the National Party signalled a number of important changes from the previous Labour party, including sweeping reforms of the aid and foreign affairs sector indicating the Clark government’s Fiji policy may be changed. Bainimarama was quick to push for the

\(^{289}\) See chapter four
\(^{290}\) “New Zealand to resume pressure on Fiji elections,” Fijilive, 10/12/2008.
National coalition to reveal their policy towards Fiji and assess their commitment to the Clark government’s position on sanctions.

The National Party coalition’s unilateral policy direction towards Fiji was substantiated in December 2008 with New Zealand’s acting Commissioner to Fiji Caroline McDonald expelled from Fiji. This action was taken after a meeting between Bainimarama and McCully where McCully suggested that travel bans could be relaxed. Bainimarama then threatened that travel bans must be removed or the acting New Zealand High Commissioner would be expelled from Fiji. It seems Bainimarama was attempting to see how the new National coalition would react to a changing situation in Fiji. McCully responded to the news of McDonald’s expulsion saying that “such an action would be a further setback to the prospect of improving relations between New Zealand and Fiji and would carry consequences that would risk further damage to the relationship.” McCully went on to assert that “the incoming National Government is intent upon improving relations between New Zealand and Fiji, and looks forward to the opportunity to relax progressively the sanctions currently in place.” This shows a slight but clear change from the policy of the Clark government. While under Clark the sanctions put in place were not negotiable until democratic elections had taken place, McCully signalled that under the Key government sanctions could be lifted progressively as progress towards democracy was made. Once again though, leniency was voiced as an option but not implemented in formal policy.

Such an interaction between Bainimarama and the Key government may be viewed as the two sides exploring the parameters. McCully indicates that a more relaxed policy approach will be taken by the National coalition and Bainimarama attempts to use this opportunity to pressure New Zealand to increase its concessions towards Fiji. Much of Bainimarama’s criticism responding to McCully’s failure to relax sanctions relates more to the actions of the Clark government than to that of McCully. “Your mission in Suva over the past 18 months

294 —— ——, 16/12/2008
295 Ibid.
Bainimarama’s rhetoric is similar to that used criticising the Clark government. He describes the National government as “employing bully boy tactics” much the same as his description of Clark as attempting to be the “lady of the Pacific.” Bainimarama rounds off by saying that “The ball is in your court to improve relations with Fiji.” Despite the change in government to the Key administration, Bainimarama alleged that the policy direction of the New Zealand government in the region was the same.

So from the start of the National coalition’s term in office, Fiji was a major foreign policy issue to be dealt with. The actual changes in unilateral policy towards Fiji have been subtle but important (significant regional policy decisions are addressed in chapter four). In April 2009 Fiji was once again involved in a constitutional crisis where the Fijian constitution was abrogated, key members of the judiciary were sacked and restrictive emergency regulations were placed on the media and other powerful organisations. While the National government condemned this action it clearly stated that no further unilateral sanctions would be imposed upon Fiji. McCully even went so far as to announce that the sporting sanctions imposed by the Clark government had been relaxed only a month after the constitutional crisis took place. As with much of the Key government’s policy towards Fiji, this relaxing of sanctions was done quietly. Key went on to say that “New Zealand was prepared to have talks with Fiji when Bainimarama was willing to cooperate.”

Throughout 2009 McCully made it clear that the hard line policies towards Fiji were drafted by the previous government and did not always reflect the policy direction of the National Party coalition. Following the initial ‘crisis’ policy or reactionary politics surrounding the expulsion of McDonald, the National party coalition government was able to create its own

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297 Ibid.
300 “Fiji President abrogates constitution,” FijiLive, 10/04/2009.
302 Ibid.
unilateral approach to Fiji that deviated from the policy of the previous Clark government. In
a meeting with the Fiji-NZ Business Council in September 2009 McCully explained that while
the majority of sanctions were “highly effective,” flexibility would be applied to sporting
sanctions as the National coalition “wanted to avoid punishing innocent, and generally
young, Fijian nationals who carry no responsibility for the actions of their government.” McCully went on to say that New Zealand “cannot force Fiji to embrace democracy” but the
unpredictable and unstable regime was likely to isolate Fiji from the international
community. While such statements appear to show only minimal flexibility towards the
Fijian regime in unilateral engagement, it is unlikely such concessions (however small) would
have taken place under a Clark government.

Overall, apart from the direct unilateral sanctioning of Fiji following the coup, the rift
between the New Zealand Government and Fiji became more of a verbal conflict. Both
parties suggested that they were open to engagement with the other party so long as their
terms and conditions were met. Under the initial sanctions, engagement for mediation
purposes was still provided for and the National government suggested they were willing to
talk to Bainimarama. This sentiment was repeated by Fiji with Bainimarama claiming that he
was happy to engage with Clark and later McCully “diplomatically, on a level playing field,
with dignity and civility, professionalism and honesty with the view to put in place systems
for sustained parliamentary democracy.” With both sides claiming they were ready to
engage with one another such words can be seen as an attempt to be viewed as the
‘reasonable’ party in the conflict.

The PRC Unilateral Response to the Fiji coup
As mentioned in chapter two, when examining PRC relations with other states, in particular
unstable states, the PRC is unlikely to condemn or condone the domestic political situation
of foreign states unless the issue of PRC recognition is concerned, this has been well
established with Beijing’s policy of non-interference. In the case of Fiji it is important to

304 Ibid.
305 Ibid.
look not only at the way the PRC has reached out towards Fiji but also how Fiji has reached out towards the PRC, publicly stating that the PRC is a better ‘friend’ to Fiji than its traditional allies New Zealand and Australia.\(^{308}\) Meanwhile, the PRC has a strong demand for raw materials and political capital as well as other financial goals in the South Pacific reflected by an increase in trade between the PRC and the region from US$180 million in 2001 to more than US$2.1 billion in 2008 with an annual growth rate of 32.3 percent.\(^{309}\) The combination of a desire for Fiji to diversify its foreign relations and a desire for the PRC to become more involved in the South Pacific appears to have made greater engagement between the PRC and the Bainimarama government almost inevitable.

While there is strong evidence that the PRC has been actively engaging with Fiji and the Bainimarama regime, Bainimarama has also been actively and vocally characterising the PRC as a replacement power given the sanctions imposed by Australia and New Zealand following the coup. This approach by the interim Fijian regime has been termed the Look North policy, whereby Fiji will actively seek stronger ties with the PRC and other more ‘likeminded’ states.\(^{310}\) Rather than seeking a replacement for New Zealand and Australia, Bainimarama claimed that Fiji had been forced to look elsewhere to “compensate what Fiji had lost.”\(^{311}\) The sanctions imposed by Australia and New Zealand had forced Fiji to proactively seek out support from elsewhere to make up for the sanctions. Furthermore, Bainimarama claimed that the PRC understood the Fijian situation better than Australia and New Zealand saying that China “is the only nation that can help assist Fiji in its reforms because of the way the Chinese think.”\(^{312}\) Given the fact that the PRC does not have the same focus instilling and improving the democratic governance of its international partners it is unsurprising that the coup response was not critical of the act but rather the instability it caused.

As with the previous Fiji coups there was no explicit PRC response condoning or condemning the 2006 coup. Instead, on the 7\(^{th}\) of December 2006 Foreign Ministry spokesman Qin Gang delivered the following statement: "We are closely following developments in Fiji, and hope

\(^{308}\) “Chinese vice president meets Fiji leaders on cooperative partnership,” Xinhua, 09/02/2009.


\(^{311}\) “Bainimarama to seek trade, military ties with Asia,” Fijilive, 29/01/2007.

that related parties can find a way to appropriately solve differences and problems, and realise stability.” By calling for stability and reconciliation the PRC was not necessarily criticising the coup itself, but rather the instability that the coup had caused in Fiji. It is unlikely that the PRC would condemn the actions of coup leaders given its position as a single party non-democratic state. Furthermore, Beijing does not follow the same conditionality of good governance and democratic values that New Zealand does in its foreign policy. This is evident with PRC dealings with countries throughout the world and particularly in Africa; for example, despite international condemnation of the regime in Zimbabwe the PRC remains a major exporter of arms to the African state.

The key difference though between the 2006 coup and those of 1987 and 2000 has been the greater overall level of engagement of the PRC with Fiji. In 1987 and even in 2000, the PRC had comparatively low levels of interaction with Fiji and so any response to the coup would likely have been insignificant. By 2006 with the promises made in the Ministerial Conference of China Pacific Island Countries Economic Development Forum the PRC had committed to a much greater role in Fiji and other South Pacific states. Many of the promises made at this meeting had not been implemented by the time the 2006 Fiji coup took place, or were long-term commitments of funding or assistance. A number of significant transactions were carried out or concluded shortly after the coup took place. In August 2007 the Chinese ambassador to Fiji Cai Jinbiao made a statement saying that the political situation in Fiji was an “internal matter” and that the commitments made by China in 2006 would still be effective in 2007. This included the Navuso Bridge project and US$ 150million for the Somosomo hydro-electric power project.

Despite the coup in Fiji being seen by the PRC as a purely domestic concern for the people of Fiji, this distancing framing has not always been applied to the Chinese response the New Zealand and Australian sanctions on Fiji. In 2007 on Fiji TV, Deputy Director of the PRC Ministry of Foreign Affairs Deng Hongbo announced that Fiji needed constructive

314 “China, Zimbabwe pledge to enhance military relations,” People’s Daily, 14/06/2010.
316 Ibid.
engagement and not exclusion from other states. Deng went on to say that unilateral action by outside powers towards Fiji was “not right and unhelpful.” This criticism of states’ unilateral responses to the Fiji coup is significant as it shows a proactive policy towards the Bainimarama government rather than a passive one. The PRC was actively promoting a policy contrary to that of New Zealand. Deng even goes so far as to say that “China is pleased with Fiji’s plans to hold democratic elections and believes it will be achieved under the leadership of the present government.” So not only is Deng criticising the unilateral approaches of other states such as New Zealand, he is also alluding to the fact that the PRC is happy with the Fijian government’s planned return to democracy. This is surprising as the PRC have consistently deemed the internal politics of Fiji to be none of their concern. By commenting on Bainimarama’s progress towards holding elections the PRC are taking into consideration the domestic politics of Fiji. While the significance of this interview should not be overstated it casts doubt over the claims that the PRC is purely increasing its ties with Fiji and not involved in the debate over the legitimacy of the Fijian government.

The interaction with the PRC following the coup has not been entirely one-sided with interim Prime Minister Bainimarama announcing that Chinese tourists would no longer require a visitor’s visa when travelling to Fiji. While this change may not be especially significant, it shows a clear change of policy from the increasingly restrictive visa requirements put on Chinese tourists by the Qarase government discussed in Chapter two. The previously cited issues of overstaying and criminal activity caused by Chinese migrants were not considered to be exacerbated by the visa changes Interim Finance Minister and former Prime Minister Mahendra Chaudhry claimed as the usual vetting procedures at the border would still be carried out for all visitors to Fiji.

Immediately after the coup Fiji-China business relations also continued, seemingly uninterrupted by the political instability. Taito Waradi interim Minister for Commerce, Industry, Investment and Communications made a statement at the China-Fiji Trade and

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319 Ibid.  
320 Ibid.  
Investment Seminar held in September 2007 praising Chinese businesses for seeing past the political unrest in Fiji.

*You have chosen to see beyond our own shortcomings and failings and to see a future that is out there to be grasped, one that can only be brighter, if one has the will to learn from the failings of history.*

Once again such statements that praise China for overlooking the domestic political situation in Fiji and the continuation of financial and political support for Fiji reveals the move towards China that Fiji is making. This relates back to the apparently growing sentiment in Fiji that the PRC will consistently support Fiji irrespective of any internal conflicts in the state.

This level of increased engagement has continued with greater loans and aid sourced by the PRC as well as preferential travel agreements. The support from the PRC can almost be seen as a ‘scattergun’ or haphazard approach to unilateral support for Fiji following the coup. Support is given on an ad hoc basis rather than long term commitments to aid in Fiji.

New Zealand’s aid and engagement with the South Pacific by contrast is highly structured with overarching documents such as the Pacific Strategy 2007-2014 to manage how New Zealand delivers aid to the South Pacific. PRC aid and engagement on the other hand, appear to lack an overarching strategy in Fiji, focussing instead on a combination of investment and gifting. The PRC is looking to increase access for Chinese companies and improve diplomatic relations with Fiji and in exchange is providing preferential loans and other support for Fiji based upon what the Fiji government asks for or what the PRC appears to feel is appropriate.

This sporadic and unstructured ‘gifting’ process is well documented in the period from 2006-2010. For example in 2010 the PRC committed to pay to fence the Fiji Government House, the PRC also committed to provide grants for the relocation of the Navua hospital, to provide 12,000 tonnes of fertilizer for the Fijian agricultural sector as well as gifting US$...
96,825 worth of sewing machines to the Fiji Women’s Federation. These examples of disparate PRC assistance towards Fiji are significant as they show that while they appear to be based on improving the livelihoods of Fijians they lack the ‘grassroots’ approach delivered by New Zealand’s aid programme.

Such ‘gifts’ from the PRC are not always without a financial catch. Following the 2006 coup the PRC has granted a number of substantial ‘soft’ loans to Fiji. In July 2007 Bainimarama announced that he was attempting to secure a significant portion of the US$600 million loan service set up by the 2006 Ministerial Conference of China Pacific Island Countries Economic Development and Cooperation Forum saying “we have never come across that large amount of money before and we would put it to good use.” While this request was not accepted in full due to bureaucratic difficulties as well as the facility being put in place for all South Pacific countries and not just Fiji, a number of substantial loans were granted to Fiji. For example a US$24.7 million loan was granted to build low cost housing in Fiji at an interest rate of 2 percent per annum to be paid off over 20 years under the 2006 Ministerial conference commitment. This loan like others under the US$600 million dedicated to the South Pacific provided for provisional interest write offs as well as having the potential to be converted to a grant under application.

This increased borrowing from the PRC has drawn criticism from the ousted Prime Minister of Fiji Laisenia Qarase, who called for restraint when borrowing from outside powers. Qarase said that while borrowing in general can be good, excessive debt was bad for Fiji as it made the nation increasingly dependent on foreign lenders. Former Prime Minister and Coup leader Sitiveni Rabuka joined Qarase in his criticism of excessive debt claiming that not only was such debt dangerous, but also the projects were often unnecessary. Such criticism from opponents to the PRC regime may not be surprising; however, it shows that an increased PRC presence in Fiji is becoming ammunition for the opposition in Fiji. The issue

329 "Fiji to Seek Development Loan from China," Fijilive, 05/07/2007.
331 "Fiji gets $25 million loan from China," Fijilive, 04/06/2010.
332 Ibid.
333 Fergus Hanson, "China: Stumbling Through the Pacific," (Lowy Institute for International Policy 2009). 6
334 Ibid. 6
335 Ibid. 6
of increased debt to the PRC is not a Fiji specific issue with many states becoming indebted to the PRC. For example the Tongan Prime Minister Dr Fred Sevele commented that despite Tonga’s request for a US$ 55 million loan from the PRC China would not have any more influence over Tonga.\(^{336}\) Once again increases in the loans offered by the PRC have occurred throughout the South Pacific and so cannot be seen as solely an attempt to replace New Zealand and Australia in Fiji. Even so, the PRC debt burden has become a significant and divisive domestic political issue for Fiji.

PRC investment and attempts to gain access to Fijian markets are predominantly seen in the financial and tourism sectors as well as in the fisheries industry. In 2007 the PRC government began looking at the possibility of setting up a branch of the China Development Bank in Suva,\(^ {337}\) and in 2010 Chinese Unionpay credit cards began being accepted in Fiji with the President and Chief Executive of the Bank Card Association saying that choosing to introduce Unionpay cards to Fiji was obvious given Fiji’s close trading relationship with China.\(^ {338}\) By increasing dependence on PRC financial institutions not only is the PRC receiving profit, it is also creating long term ties with Fiji in the financial sector. While developed countries such as New Zealand also rely on foreign financiers, the strength of their economies and institutions as well as a lower level of debt in relation to GDP reduce the pressure of foreign lenders. A greater engagement of foreign lenders has the potential to further entrench the PRC in the South Pacific by increasing reliance on foreign financiers and investors.

An area that the PRC has worked to control a greater share of is the Fijian Tuna industry, signing a memorandum of understanding (MOU) with the Fijian government to improve access for PRC vessels in the fisheries sector.\(^ {339}\) This has had a significant impact with Chinese fleets dominating those now operating in Fijian waters.\(^ {340}\) This policy has come at a cost to the Fijian people with conflicts between local operators as well as notably reduced catches of tuna since PRC involvement in the industry.\(^ {341}\) While many of the decisions to


\(^{337}\) Elenoa Baselala, "China’s 'Unionpay' credit cards accepted in Fiji," *Fiji Times*, 21/09/2010.

\(^{338}\) Ibid.

\(^{339}\) Tamara Renee Shie, "Rising Chinese Influence in the South Pacific: Beijing’s "Island Fever""," *Asian Survey* 47, no. 2 (2007). 313


\(^{341}\) Sandra Tarte, "Fiji’s "Look North" Strategy and the role of China," in *China in Oceania: Reshaping the Pacific?*, ed. Terrence Wesley-Smith (Berghahn Books, 2010). 127
open up the fisheries industry were made before the 2006 coup, the continued involvement of the PRC has significant long term implications on the Fijian tuna industry.

The prospect of increased tourism from the PRC to Fiji has been widely discussed and engaged with by Fijian leaders since Fiji received Approved Destination Status (ADS) in 2004. The number of Chinese tourists has increased steadily since then with the influx continuing despite the 2006 coup which saw a temporary drop in tourists from New Zealand and Australia. Not only has this provided tourism operators with much-needed revenue and diversified the places from which tourists come from it has also encouraged Chinese firms to invest in Fiji. In 2009 China Suzhou Youth Travel Service Company Limited announced that they would be building a ‘first class’ hotel that would “reflect the elegance and space of ancient places in China including Beijing’s legendary Forbidden City.” While the increase in Chinese tourist numbers and Chinese investment in the Fijian tourism sector cannot be viewed as entirely due to PRC unilateral engagement, Chinese investors and corporations tend to engage with states that have a good relationship with China as market access and opportunities are likely to be greater than in states with a less favourable relationship. The unfettered continuation of such business activities despite the 2006 coup further reflects that the PRC was not deterred by the political instability of Fiji.

Despite many of the new PRC commitments to Fiji being agreed upon before the 2006 coup took place, a number of new areas of engagement can be seen as a direct response to the 2006 coup. Most notably the gaps in training and funding due to sanctions put in place by New Zealand and Australia have been filled by the PRC and Chinese companies. While there appears to be little evidence to suggest that this move has been a deliberate outreach by the PRC to assume roles that were previously filled by New Zealand, the reality is that the PRC has taken up many of these positions effectively reducing the impact New Zealand’s sanctions have on Fiji.

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342 "Fiji tourist industry targets high-end Chinese travelers," Fiji Times, 26/08/2009.
343 Ibid.
344 "China developer to build hotel in Fiji," Fiji Sun, 12/08/2009.
Following the coup New Zealand banned all levels of military engagement with Fiji, including training operations. Bainimarama was quick to find a new international partner to replace New Zealand as an important military contact. In January 2007, just over a month after New Zealand put sanctions in place Bainimarama announced that “we have to talk to China about continuation of military courses, which has been stopped by Australia and New Zealand.” Bainimarama went on to say that the PRC had been providing training for Fijian soldiers since 2000 and this would just be increasing that relationship. Rather than pressuring Fiji to return to democracy, the sanctions put in place by the New Zealand government have encouraged Fiji to fill any gaps created by expanding its engagement with the PRC.

This increased military relationship between Suva and Beijing has had a greater impact than simply reducing the effectiveness of New Zealand’s sanctions on Fiji. It has been seen by some as a threat to the stability of the region more generally, as PRC military engagement across the South Pacific increases. In September 2010 a delegation from China’s Defence Ministry visited Suva, soon after two Chinese warships toured the South Pacific in August 2010. These actions may be viewed as potentially provocative given that New Zealand and Australia had traditionally been the most active outside military powers engaging with Fiji.

The potential military and economic threat posed by China in the South Pacific is not altogether new but it has become more pronounced following the 2006 coup as gaps in the training of Fijian military caused by Australian and New Zealand sanctions are filled by the PRC. It is arguable that the 2009 Australian Defence White Paper calling for increases in offshore naval capacity was a response to a greater PRC presence in the region that warranted a deterrent force. Fiji’s central location in the South Pacific as well as it being the home of the Forum Secretariat, the University of the South Pacific and other regional

346 "Bainimarama to seek trade, military ties with Asia," Fijilive, 29/01/2007.
headquarters make it a vital strategic location in the region. A greater Chinese military presence may threaten Australian and New Zealand control of this resource.\textsuperscript{351}

The increased presence of the PRC military in the South Pacific is not an inherently destabilising factor and may have real benefits for Fiji in terms of training and equipment. However, as this engagement is occurring while the New Zealand and Australian government’s attempt to pressure Fiji with sanctions they are likely to give the Bainimarama administration a greater ability to resist public discontent. Furthermore, such actions may be unhelpful for Chinese foreign policy in the region as they are likely to appear aggressive and opportunistic in opposition to China’s peaceful non-interference policy.

Thus, in conclusion, following the 2006 coup the PRC and New Zealand have taken two noticeably different unilateral responses to the political situation in Fiji. New Zealand began by immediately pressuring Fiji to hold democratic elections through tough unilateral sanctions on the Bainimarama regime and even the public of Fiji to motivate among the public of Fiji an uprising against the illegitimate government. While these sanctions have relaxed slightly under the National government coalition, New Zealand’s unilateral position is still to distance itself from the Bainimarama regime and attempt to pressure the Fijian government to hold democratic elections. The PRC on the other hand, has continued to embrace its increasing unilateral relationship with Fiji even going so far as to criticise the positions of states such as New Zealand for not engaging with Fiji. At the same time Fiji has responded to the pressure imposed by New Zealand, Australia and other Western states by actively seeking to make up for the lost aid and diplomatic ties by looking towards the PRC. It seems that rather than pressuring Fiji to hold democratic elections New Zealand’s unilateral response to the Fiji coup has forced Bainimarama to diversify Fijian relations and look north to China.\textsuperscript{352}

\textsuperscript{351} Ibid.
Chapter four: New Zealand, the PRC and regional responses to the 2006 Fiji Coup

Regional organisations have become an increasingly utilised mechanism of interstate dialogue and policy. Such organisations are particularly useful to not only encourage dialogue between states and resolve possible intra and interstate tensions, but they also serve as useful mechanisms for creating a coherent regional policy direction. Both New Zealand and the People’s Republic of China have significant interests in South Pacific States and regional organisations. As a central and powerful regional figure Fiji also enjoys membership in many of the same groups. New Zealand and Fiji are founding members of the Pacific Islands Forum while the PRC is an Official Forum Dialogue Partner. Both New Zealand and Fiji are members of the Commonwealth of Nations due to the shared colonial history. Fiji is a member of the increasingly vocal and important Melanesian Spearhead Group (MSG) while the PRC provides significant financial support for the MSG. This chapter looks at the multilateral response by New Zealand and the PRC to the 2006 Fiji coup.

As mentioned in chapter three, New Zealand rapidly responded to the 2006 coup with wide ranging sanctions put in place on the 5th of December 2006.\(^{353}\) This declaration was not solely limited to direct sanctioning of the Bainimarama regime, but it also included options for New Zealand to use its international and regional influence to respond to the coup. Helen Clark announced immediately following the coup that New Zealand would work with “likeminded countries as well as relevant multinational organisations such as the Pacific Islands Forum and the Commonwealth “to explore what further steps can be taken in response to the coup.”\(^{354}\) ‘Likeminded countries’ pointed largely at Australia who had devised similar sanctions against Fiji and with whom New Zealand was increasingly teaming up with for its Pacific policy direction.\(^{355}\) It is unlikely that the PRC would be considered a ‘likeminded country’ despite New Zealand’s increasing political and economic engagement with the Chinese. Needless to say there is no obvious evidence to support any attempt by

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\(^{354}\) Ibid.

New Zealand to convince the PRC to adopt a similar stance towards Fiji although John Key suggested the issue might be raised in a meeting with Chinese Premier Wen in a visit in April 2009.\(^{356}\) Whether this issue was actually discussed is unclear, what is evident is that no overt policy change was obvious following the meeting between Premier Wen and Mr Key. This is likely to be not only because of the fact that the PRC lacks transparency in its foreign policy decision making and direction, but also because of New Zealand’s relative size and influence when compared with the PRC and the possibility of souring Sino-NZ relations should New Zealand attempt to encourage a change in PRC policy.

While New Zealand has been a staunch critic of the 2006 coup and the PRC has appeared to be indifferent to the change in government, the direct actions of the two cannot be viewed in isolation in the lead up to, and following the 2006 crisis. This wider approach looking at the roles and responses of other key actors is important due to the aforementioned claim by the Clark government that New Zealand would use its influence with ‘likeminded countries’ as well as Intergovernmental Organisations such as the Pacific Islands Forum, the Commonwealth and the UN.\(^{357}\) Because the PRC is not an official member of the Pacific Islands Forum and is not a member of the Commonwealth, these two groups can be viewed as potentially influential tools for the New Zealand Government outside of comprehensive PRC authority. The PRC plays a much more informal role in the Regions organisations as a major donor to the Pacific Islands Forum and the Melanesian Spearhead Group (MSG) as well as being an Official Dialogue Partner to the PIF.

**The Pacific Islands Forum**

Australia and New Zealand have been the harshest critics of the Fiji coup of all South Pacific countries. Their increasingly conditional aid policies, combined with the ‘arc of instability’ approach to Melanesia had already created a clear divide in the Forum, exacerbated by the underlying relative regional power and wealth of New Zealand and Australia in the region.\(^{358}\) Because the 2006 coup had been predicted for weeks, if not months before it took place, the Pacific Islands Forum had begun forming a strategic unit to respond to the growing impasse

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\(^{357}\) ———, "NZ imposes wide range of sanctions on Fiji " Prime Minister’s Office, http://www.beehive.govt.nz/node/27990.

\(^{358}\) "Fiji suspension threatens Pacific regionalism," *Fiji Sun*, 02/05/2009.
between the military and the government in Fiji. On the 1st of December 2006, the Forum Foreign Affairs Ministers met in Sydney to discuss the deteriorating situation in Fiji and the potential responses that could be made at a Forum level. The decision was made to set up and send an Eminent Persons Group (EPG), justified under the 2000 Biketawa Declaration to Fiji to assess the situation and report back to the Ministry heads so as to plan a course of action. The December 5th coup meant that the EPG did not finalise its terms of reference until the 15th of December when the coup had already taken place. The group was chaired by Sato Kilman the Minister of Foreign Affairs and Deputy Prime Minister of Vanuatu, the other members of the group were Faumina Liuga the Samoan Minister for Resources and the Environment, Peter Cosgrove, the former Chief of the Australian Defence force and Sir Arnold Amet the former Chief Justice of Papua New Guinea. The terms of reference for the group were to look into the underlying causes of the RFMF intervention and to assess the likelihood of a resolution to the crisis in Fiji in the short and medium term. They were then to examine the steps needed for Fiji to quickly return to democratic rule and finally to look into the role of the Forum and how it could best assist Fiji to resolve the political crisis.

Somewhat surprisingly, Interim Prime Minister Bainimarama accepted the group’s terms of reference and welcomed the group to come and help Fiji, “we reiterate that Fiji stands ready to hear wise counsel and practical advice that seeks to take the country forward and address the difficulty we face.” This language suggests that Bainimarama hoped that the EPG would provide constructive feedback on ways to return Fiji to democracy, given that the coup had taken place and was “water under the bridge.” The group spent four days in Fiji

360 Ibid.
361 Ibid.
363 Ibid. 86
366 Ibid.
consulting with key stakeholders in January 2007. Meetings were held with both the previous government and the current government, as well as with President Iloilo, the Chairman of the Great Council of Chiefs and other important actors in Fiji from the media, civil society and religious groups. The report drafted by the EPG following the consultations was critical of the 2006 coup finding that it had “no justification in law”, despite the RFMF claiming the doctrine of necessity “the EPG is persuaded by the majority view that the RFMF’s takeover of government was unlawful. As such, the EPG found that the logical next step for Fiji would be to bring back the constitutionally elected Qarase government. The EPG went further to suggest that the RFMF lacked the support of the majority of individuals as it had suggested, and the timeframe given of at least three years for democratic elections to take place was excessive as many of the other important stakeholders believed elections in eighteen months to two years was reasonable. The report went on to suggest that Bainimarama was blurring the distinction between the military and the government and ought to step down as PM as well as claiming that the independence of the judiciary had been compromised. The report closed with the comment that those interviewed wished for close engagement by the Forum and encouraged unity in the Forum in its response to the 2006 coup.

While this report was not an official Forum declaration it was quickly picked up by both New Zealand’s Foreign Minister Winston Peters and Prime Minister Helen Clark who publicly called for Fiji to accept the EPG report and return to democracy within two years. These statements took place even before the Forum Foreign Affairs Meeting in March had decided on a Forum response to the report. Once again this shows New Zealand’s attempts to sway the Forum in its policy towards Fiji, despite claims that it would await the outcome of the

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368 Ibid.
370 Ibid.
371 Ibid.
372 Ibid.
373 Ibid.
Forum meeting to determine the status of its future relations towards Fiji. The Ministers’ meeting in March 2007 endorsed the EPG report and recognised the willingness of Fijian officials to return to democracy. However, it felt that elections could and should take place within two years if not sooner, rejecting the RFMF claim that they would need at least three years to prepare for elections. The meeting went on to establish a “staged process of engagement with the interim government” to aid in the move towards elections. These conditions were subsequently accepted by the Fijian regime amidst claims engagement with Fiji would be more reasonable and effective than exclusion.

The outcome of the Vanuatu meeting was certainly influenced by New Zealand and Australia’s hard-line towards Fiji and pressure for democratic reform in the South Pacific. However, the resolution from the meeting was certainly not as hard-line as New Zealand’s stance towards Fiji or even the language used and recommendations of the EPG report. The Forum was much more willing to engage with Fiji and encourage a return to democracy through assistance rather than sanctions. This can be explained largely by the moderating effect of other states in the Forum. As dealt with in chapter one, Melanesian states have been subject to widespread political instability and violations of human rights and the rule of law. The 2003 RAMSI intervention is testament to this; even in Polynesia, until November 2010 Tonga still had an acting King and is in transition to a more representative electoral system; the Samoa political system lacks transparency and has been subject to recent criticism as to its poor division of Church and State. This all means that strong condemnation from other South Pacific states was unlikely for fear of a precedent that could be used against them in the future. Consequently, initially the Forum developed a much more moderated and lenient stance towards Fiji than Australia and New Zealand lobbied for.

Much of the resistance in the Pacific Islands Forum towards the suspension of Fiji was based upon the commitments of the Bainimarama administration to hold elections by the end of 2009. Despite assurances by the Fijian government in 2007 that the EPG mandates would be followed and electoral reform would be completed for elections to be held by the deadline

377 Ibid.
this message became increasingly contradictory in 2008 and 2009. Despite initially strong support from the Melanesian group of nations, support for Fiji appeared to diminish as targets and commitments were missed by the Bainimarama government.

The interactions between Fiji and the Forum in 2008 can be seen as a game of ‘cat and mouse’ with Fiji wavering between support of the Forum working group mandate and condemnation of it. Despite relatively consistent support for the Forum working group in 2007, in early 2008 Bainimarama began reneging on previous commitments to hold elections in 2009.380 The Clark government was sceptical of Bainimarama’s assertions that Fiji was making definitive steps towards democracy, claiming that he had committed to hold elections by the first quarter of 2009 at the latest and had since given little reassurance that he was actually willing to step down from power.381 In June 2008 Bainimarama began questioning the benefits of the Forum-Fiji Joint Working Group.382 This attempt to distance Fiji from the group was a response to the continuation of New Zealand government bans on Fijian civil servants, including those involved in Joint Working Group activities.383 Deputy Permanent Secretary for Information Major Neumi Leweni insisted that New Zealand’s travel bans were more extensive than those put in place following the 2000 Fiji coup, despite the interim government being in a similar position to the Bainimarama administration.384 The unilateral and multilateral responses by New Zealand were affecting Fiji’s relationship with and involvement in the Forum. The relationship between the Working Group and Fiji deteriorated further as Bainimarama announced that talks with the Forum Working Group would not continue “until such time the positions of Australia and New Zealand are genuine.”385 Bainimarama went on to suggest that New Zealand and Australia were not willing to even look at the progress Fiji had made because of their unwarranted fixation upon the “military-dominated administration.”386 Whether or not such statements were accurate, clearly Bainimarama was using the sanctions and behaviour of New Zealand towards Fiji as an excuse not to hold to the Forum schedule for democratic elections.

381 Ibid.
383 Ibid.
384 Ibid.
386 Ibid.
The Working Group response to Bainimarama’s claims that he would leave the working group was met with pleas to continue engaging with the Forum dialogue process, with members alleging that the dialogue process was valuable for the Forum to engage with Fiji. From this point the Fijian government changed tack with the Fijian electoral commission claiming to visiting Forum Foreign Ministers contact group members that an additional US$6.75 million was needed to hold democratic elections within the Forum timeframe. Just two days after this announcement Bainimarama stated that the meeting with the Ministerial Contact Group went well despite previous confrontation with Australia and New Zealand; however, he at no point had promised that elections would take place by March 2009. It seems that this was a period of uncertainty whereby the Fijian government was setting up a series of obstacles that could potentially derail plans for 2009 elections in Fiji.

The relationship between the Forum and Fiji became even more strained towards the end of 2008 with Bainimarama failing to attend the Niue Pacific Island’s Forum Meeting causing the Fiji Sun newspaper, usually a strong advocate of the Fiji government to report that Fiji’s absence was an opportunity lost. Fiji’s absence from the meeting was insinuated before the meeting took place as it was announced that Fiji would be excluded from the Post Forum Dialogue process held in New Zealand due to the continuing sanctions imposed upon Fiji by the New Zealand government. Once again the Bainimarama government was able to claim that New Zealand was unwilling to engage with Fiji at a Forum level as they were unreasonably excluding Fiji from Forum meetings that Fiji was entitled to attend as a full member of the Forum.

The 2007 Niue Forum meeting scheduled a special meeting to be held in Papua New Guinea in January 2008 to assess the progress Fiji was making towards holding elections by the end of March 2008. In early January 2008 in the lead-up to the PNG meeting, Aiyaz Sayed-Khaiyum Fiji’s Attorney-General stated that no date for elections had been discussed.

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388 “Fiji seeks $7 million to supplement election costs,” Fijilive, 16/07/2008.
390 “Fiji’s absence from Niue Forum regrettable,” Fiji Sun, 18/08/2008.
392 “PNG to host Forum leaders for talks on Fiji,” PNG Post-Courier, 08/01/2009.
November 2008 the New Zealand General Election saw the Clark government responsible for the hard line approach towards Fiji replaced with a National Coalition lead by John Key. Despite the Key government insisting that the sanctions on Fiji were made by ‘the previous government’, when Fiji reneged on its commitments to hold democratic elections by March 2009 the Key government was clear that the Pacific Islands Forum needed to show leadership in the region and send a clear message to Fiji that real progress towards elections needed to be made. However, the hard-line put forward by Australia and New Zealand at a multilateral Forum level had never been consistently shared by other Forum members. In January 2008 the Tongan government called for the Forum to look for ways to improve the situation in Fiji and not think of excluding them from the Forum.

The resistance from critical Forum members diminished with Bainimarama failing to attend the PNG meeting due to flooding in Fiji, despite attempts by PNG Prime Minister Michael Somare to delay the meeting so Bainimarama could attend. The meeting condemned Fiji’s lack of progress towards democracy and set a new timetable for democratic elections with “targeted measures” under the Biketawa declaration to be put in place unless a new election date of no later than the end of December 2009 is set by May 1st 2009. Despite this strong condemnation of the Fijian regime not all the members of the Forum were happy with partial or full suspension of Fiji as a resolution to the impasse with PNG, the Solomon Islands, Vanuatu and Samoa all publicly opposing suspension. This divide in the Forum between states that supported engagement and those who favoured exclusion was widened in April 2009 with the Prime Minister of Kiribati Anote Tong publicly stating that isolating Fiji would not encourage Fiji to return to democracy. This sentiment was reiterated by the Cook Islands deputy Prime Minister Sir Terepai Moate saying that Fiji was feeling “cornered and bullied” and only when trust can be built between parties would progress be made. While the Forum was not altogether polarised into supporters of Bainimarama and his critics, many

394 "New Zealand Prime Minister says Forum must act," Fiji Times, 27/01/2009.
396 "New Zealand’s Key: Forum right body to deal with Fiji," PNG Post-Courier, 27/01/2009.
398 "New Zealand’s Key: Forum right body to deal with Fiji," PNG Post-Courier, 27/01/2009.
400 Ibid.
member states called for a more inclusive approach towards Fiji rather than simply threatening and excluding the interim regime.

The May 1st deadline for Fiji passed without any credible steps to hold elections by the end of 2009; instead, Bainimarama insisted that elections could not be held until 2014.\footnote{\textit{“Fiji Suspension ‘inevitable’ New Zealand says,”} \textit{Radio New Zealand International}, 30/04/2009.} Despite strong opposition to the suspension of Fiji from the Pacific Islands Forum in early 2008, New Zealand Minister of Foreign Affairs Murray McCully announced that the passing of the deadline meant that the suspension of Fiji from the Forum was “inevitable.”\footnote{Ibid.} On the 2nd of May 2009 Chair of the Pacific Islands Forum and Premier of Niue, Toke Talagi, announced that the Bainimarama regime had been suspended from the Forum under the ‘targeted measures’ agreed upon in Port Moresby in January.\footnote{\textit{“Forum Chair on suspension of Fiji military regime from PIF,”} Pacific Islands Forum Secretariat, http://www.forumsec.org/pages.cfm/newsroom/press-statements/2009/forum-chair-on-suspension-of-fiji-military-regime-from-pif.html.} Talagi stated that the effects of the suspension would be unlikely to be felt immediately but the Fijian government would feel the pressure over the next 12 months.\footnote{\textit{“Impacts of Fiji suspension to be felt over time,”} \textit{Radio Australia}, 05/05/2009.} The wording of the suspension was significant as the Republic of Fiji was not suspended from the Forum but rather the military-dominated regime led by Bainimarama was suspended.\footnote{\textit{“Forum Chair Talagi confirms Fiji suspension,”} \textit{Radio New Zealand International}, 01/05/2009.} Furthermore, it is significant that the government of Fiji was suspended from the Forum under the principles laid out in Port Moresby despite many Forum members announcing that they did not support the suspension after the meeting had taken place. This ‘change of heart’ may possibly be attributed to the strong rhetoric from Australia and New Zealand calling for Fiji’s suspension, or it could be seen as Pacific states not wanting to appear to favour an exclusionary approach to Fiji. This theory is supported by Solomon Islands Prime Minister Derek Sikua claiming that the Fiji suspension was justified under the PNG principles after Talagi announced Fiji’s formal suspension, despite publicly condemning the prospect of suspending Fiji earlier in the year.\footnote{\textit{“Solomons PM: Fiji suspension consistent with resolutions,”} \textit{Solomon Times}, 07/05/2009.}

Despite the apparent unanimity towards the suspension of Fiji from the Forum, the divide between those supporting Fiji’s involvement and those favouring exclusion was revealed with the 2009 PACER trade talks, with some Forum members believing that Fiji’s suspension
from the Forum should not exclude Fiji from regional trade talks, particularly given Fiji’s relative economic power in the South Pacific. This feeling was certainly not shared by the New Zealand government with New Zealand’s Trade Minister, Tim Groser stating that Fiji would not be welcome at the PACER meetings. The assumption by New Zealand that Fiji would not be attending PACER talks drew widespread criticism in the South Pacific with the PNG newspaper The National commenting that “any regional trade agreement without Fiji is unlikely to be worth the paper it is written on.” New Zealand Minister of Foreign Affairs Murray McCully defended the decision to expel Fiji from the meetings saying that Fiji would be able to join the “process as it develops with the aim of seeing it join once it decides to resume normal relations with the region.” It is clear with this statement that ‘normal relations’ means a return to democratic rule or tangible, convincing steps to return to democracy in Fiji. By setting the criteria for Fiji’s re-admission to PACER without Forum consensus on the matter, New Zealand risked further polarising the Forum and gave credibility to Bainimarama’s allegations of New Zealand’s bullying of Pacific States.

Overall, the impact New Zealand has had on the Forum in implementing its December 5th pledge to use its regional diplomatic influence to pressure Fiji into holding democratic elections has been significant. The Clark government’s pressure to send the EPG to Fiji and establish the Forum-Fiji joint working group is likely to have been a crucial factor in the Bainimarama government’s eventual suspension from the Forum. The pressure imposed by the Key government to suspend Fiji from the Forum and PACER despite vocal opposition from other Pacific island states, shows New Zealand to be pushing a Fiji policy for the region that may be contrary to the policy directions of other Pacific States, given that the criteria set in PNG was passed unanimously and previous critics of an exclusionary approach towards Fiji from other South Pacific States were temporarily accepting of Fiji’s suspension. The key problem with this approach is that the hard-line policy towards Fiji can still be seen as a New Zealand and Australia-driven initiative. Even though Pacific states unanimously voted for the

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408 “Impacts of Fiji suspension to be felt over time,” Radio Australia, 05/05/2009.
principles set up in PNG, many were openly critical after the meeting of the prospect of suspending Fiji suggesting they were pressured into assuming the trans-Tasman response to the coup. Fijí’s interim Attorney-General Aiyaz Sayed-Khaiyum called the move a ‘geopolitical’ move to secure power by New Zealand and Australia thinly veiled by attempts to restore democracy in Fiji. While this may only be rhetoric from the Bainimarama administration, what is clear is that despite apparent unanimity in the Forum to suspend Fiji, New Zealand and Australia have been key factors in convincing states to vote one way or another. Some Forum states may seek to counter Australian and New Zealand apparent domination by becoming increasingly active in sub-regional organisations such as the Melanesian Spearhead Group or by further engaging other powerful actors such as the PRC.

The Melanesian Spearhead Group
Despite having been in existence since 1990 the MSG had not been a particularly vocal regional actor until the 2006 Fiji coup, tending to be dominated by the presence of the Forum in the region as well as severe domestic instability in MSG member states. The sudden proactive nature of the MSG has coincided with the Chinese funding and building of a multimillion dollar secretariat building for the Group in the Vanuatu capital Port Vila. Prior to the establishment of a permanent secretariat, the MSG was more of an informal group that met to discuss Melanesian issues through an inter governmental dialogue process as opposed to a unified lobby group of Melanesian nations active within the Pacific Islands Forum. Whether intentionally or not, the financial backing from the PRC has raised the profile of the MSG in the South Pacific and in the Pacific Islands Forum, which is likely to have long-term implications for the Region, New Zealand’s position within it, and the PRC.

Following the 2006 coup the four members of the fledgling Melanesian Spearhead Group met to discuss the Fiji crisis. Given that New Zealand is not a member of the organisation, the position of the MSG is useful in determining not only the Melanesian perspective (one that can be somewhat muted by the dominating influence of New Zealand and Australia) in but also revealing any regional divisions in the Forum. On the 13th of December Solomon Islands Prime Minister Manasseh Sogavare called for a MSG delegation to be sent to Fiji “for the express purpose of seeking the re-establishment of dialogue and to assist in any way

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413 Sam Seke, “Fiji calls suspension ‘geopolitical’ power play,” Radio Australia, 10/05/2009.
possible to achieve a peaceful resolution." While Sogavare was critical of RFMF actions and called for a swift return to democracy he believed that the imposition of sanctions would be counterproductive and would most likely harm the general public of Fiji and not the interim regime. While it is unlikely that the MSG would impose sanctions on Fiji given that it is one of only four members, it shows a desire for engagement with Fiji. The MSG certainly took a very different approach towards Fiji than New Zealand had, actively engaging with Fiji rather than seeking to achieve a resolution to the crisis through exclusion and pressure. This sentiment was made even stronger at the meeting of MSG leaders in Honiara in January 2007, with the MSG commenting that major institutions in Fiji appeared to be supporting the interim government giving it more legitimacy, that sanctions were not the answer for the Fijian situation and that Vanuatu, Papua New Guinea and the Solomon Islands would “fight any move to have Fiji suspended from the Pacific Islands Forum.” This apparent rallying behind Fiji can be seen as going directly against the policies of Australia and New Zealand, causing the Solomon Star to comment that “What our leaders do now may defy international norm because we render support for a military regime in Fiji but it’s our Melanesian obligation.” This sentiment was reiterated by the Fiji Sun Newspaper which directly criticised the policy of New Zealand towards Fiji, saying that Melanesia has other options to turn to if New Zealand and Australia are too hard-line in their policies towards South Pacific states.

...the island nations have other cards to play. China, Singapore, Malaysia, India and Indonesia to name but five are keen to extend their foreign policy reach into the South Pacific region - previously regarded as an Australian and New Zealand lake.

This media discourse criticising the approach of New Zealand and Australia and suggesting that the South Pacific had other options for support in the international community signals the rising presence of the PRC and other actors in the region offering an alternative to the traditional support from Australia and New Zealand. While New Zealand and Australia are focussed on improving the governance of South Pacific states, the MSG is much more

416 Ibid.
419 "New Zealand Minister short-sighted on Fiji," Fiji Sun, 22/01/2007.
420 Ibid.
insular. With a small base of members, all with varying degrees of political instability, the states tend to favour a more non-interventionist approach to politics. However, it must be remembered that predictions that the MSG has made the Pacific Islands Forum less relevant can be traced back to the 1990s with an editorial in the Fiji Times claiming that the Forum was diminishing while factions such as the MSG emerged, further fragmenting the already troubled regional organisation.\footnote{"South Pacific Forum loses relevance," \textit{Fiji Times}, 13/10/1999.} The MSG has often been touted as a threat to the stability of the Forum, particularly given the unity in Melanesia through similar cultures and political experiences.

The MSG was, however, tentative in its acceptance of Fiji fully into the organisation following the coup with member states fearing that MSG attempts to get donor assistance might be hampered by Fiji’s participation in the organisation.\footnote{"Fiji regime signs Spearhead pact," \textit{Fiji Daily Post}, 25/03/2007.} While this concern was raised by members, Fiji was not removed or restricted from participating fully in the organisation. The PRC funded the building of the MSG secretariat building in Vanuatu. The 17\textsuperscript{th} MSG meeting coincided with its opening in May 2008 with Bainimarama attending and speaking on the positive progress Fiji was making towards democracy.\footnote{"Bainimarama to attend Melanesian Spearhead summit," \textit{Fiji Times}, 26/05/2008.} This policy of engagement with Fiji demonstrated by the MSG was reflected in its individual member’s behaviour, with the Solomon Islands announcing the move to formally establish a diplomatic mission in Fiji in December 2008, going against the trend of the Forum to move further away from Fiji with the expulsion of New Zealand’s second High Commissioner to Fiji Caroline McDonald.\footnote{"Solomons to establish diplomatic mission in Fiji," \textit{Solomon Islands Broadcasting Company}, 03/12/2008.} The different approach from the MSG was further shown with Vanuatu PM and MSG Chairman Edward Natapae calling for engagement and cooperation with Fiji, not exclusion. Natapae also insisted that the MSG was unified in this approach to Fiji.\footnote{"Vanuatu PM says Spearhead Group intact," \textit{Vanuatu Daily Post}, 16/04/2009.} MSG members PNG, the Solomon Islands and Vanuatu all publicly condemned the proposition to suspend Fiji from the Pacific Islands Forum before the Bainimarama government was eventually removed.\footnote{"New Zealand’s Key: Forum right body to deal with Fiji," \textit{PNG Post-Courier}, 27/01/2009.} The openly contrary MSG approach to Fiji was reflected again in 2009 with the Group openly supporting Fiji’s inclusion in the PACER negotiations despite New
Zealand dismissing the idea.\textsuperscript{427} It seems that the MSG opinion towards Fiji is much more conciliatory in the Melanesian grouping than under the Forum dominated by New Zealand and Australia.

In 2010 the MSG has shown itself to be increasingly vocal in its support of Fiji with the 2010 MSG summit due to give the Chairmanship of the Group to Fiji’s Bainimarama. This meeting is yet another example of PRC support for the increasingly divisive group, with the Chinese government giving US$50,000 towards the cost of the meeting.\textsuperscript{428} Whether intentional or not a meeting that was set to appoint a politically divisive character in the region as chairman had a very real potential to polarise the region, an event that may not have even taken place without PRC support. The fact that the MSG summit was becoming a soapbox for Bainimarama was shown with the invitation to the meeting extended to other Pacific states with the potential to have ten of the sixteen Forum members present.\textsuperscript{429} The meeting was called off at the last minute by Vanuatu Prime Minister Natapei saying that the long-term implications for the MSG of Fiji acting as Chair would be damaging for the organisation.\textsuperscript{430} Furthermore, like the Pacific Islands Forum the MSG charter entrenches “the rule of law, judicial independence, transparency and accountability.”\textsuperscript{431} By appointing Bainimarama as the Chairman of the MSG these principles would have been violated.\textsuperscript{432} Despite the disconnect between the Principles of the MSG charter and the behaviour of the Fiji regime, Bainimarama did not view the cancellation of the meeting as an incompatibility between his regime and the fundamental principles of the MSG. Instead, Bainimarama attributed this ‘change of heart’ to New Zealand and Australia pressuring MSG members to abandon the Suva MSG meeting.\textsuperscript{433}

The 2010 Suva meeting was not entirely dismissed however, with Bainimarama hosting a ‘friends of Fiji meeting’ instead of a formal MSG summit.\textsuperscript{434} The same Forum member states were invited with representatives of ten states eventually attending the meeting including the MSG member states as well as Kiribati, Tuvalu, Tonga, Federated States of Micronesia,

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\textsuperscript{428} "China gives Fiji $50,000 for Melanesia summit," \textit{Radio New Zealand International}, 25/06/2010.
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\textsuperscript{429} "Non-Melanesian Pacific urged to nix Fiji invitation," \textit{Radio Australia}, 14/07/2010.
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\textsuperscript{432} Ibid.
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\textsuperscript{433} "Bainimarama hopes to host 'Friends of Fiji'," \textit{Fijilive}.
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\textsuperscript{434} Ibid.
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Marshall Islands, Nauru and East Timor. While this was not an official MSG process, the attendance of representatives from these Pacific states appears to cast doubt upon the true unanimity of the Forum in its position towards Fiji. New Zealand Prime Minister John Key was more sceptical as to the real impact of the meeting saying that unless the attendees of the ‘Friends of Fiji’ meeting raised concerns about the Forum approach to Fiji at the 2010 meeting then Bainimarama “really hasn’t gained much.”

The issue of Fiji’s chairmanship of the MSG has become an increasingly difficult issue for the group with divisions appearing in the MSG of those who support further engagement with Fiji and those who do not. Certainly the decision by Vanuatu PM Natappei to call off the July 2007 MSG summit puts Vanuatu on the side of caution when it comes to Fiji. This change of heart may have come to pass through strong criticism in the Vanuatu media over MSG support for Fiji, making the Suva summit a domestic issue for Vanuatu. On the other end of the spectrum the Solomon Islands has been a strong supporter of Bainimarama since the 2006 coup. Dr Derek Sikua Solomon Islands PM announced to the MSG Secretariat that he had no issue with Fiji chairing and hosting the Summit that had been cancelled by Vanuatu. This effective impasse was supposed to be mediated by the Solomon Islands in Honiara in an MSG meeting in October 2010 with the aim to reduce the rift between Bainimarama and Natapei. The resolution for the meeting was to have the MSG Chairmanship transferred to the Solomon Islands where it would then be handed over to Fiji. Like the July Summit, this meeting was postponed at the last minute, this time by the Solomon Islands. Since the July meeting the Solomon Islands had elected a new Prime Minister Danny Philips, with the October postponement of the MSG meeting Phillips was to meet Bainimarama to assess the possibility of the Chairmanship to be handed over to Fiji which eventually took place in November 2010. Overall, the MSG can be seen as a potentially divisive actor in the South Pacific given its often contrary stance to New Zealand and the Forum following the 2006 Fiji coup.

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440 Ibid.
442 Ibid.
support for the group has undeniably given the MSG greater credibility and presence in the South Pacific region, however, the lack of unity and coherence in MSG policy towards the Fiji ‘issue’ has undoubtedly restricted the potential of the group as a regional player. Former Solomon Islands PM Manasseh Sogavare even went so far as to call the current MSG a “laughing stock.” Therefore, the role of the MSG following the coup is uncertain given its internal divisions and ‘infighting’ between members. Regardless, the MSG still can be seen as undermining the Pacific Islands Forum as its members and the Group have often been vocal as to their criticism of the Forum position towards Fiji. By funding the Vanuatu Secretariat and financing potentially divisive meetings, PRC support for the Group has effectively damaged the Pacific Islands Forum credibility as a regional actor.

The Commonwealth
The response of the Commonwealth to the 2006 coup can be seen as much more in line with the policies of Australia and New Zealand, as Fiji was swiftly and unanimously suspended from the Commonwealth after a meeting of a Commonwealth Ministerial Action Group made up of Ministers from Canada, Malta, Lesotho, Malaysia, Papua New Guinea, St Lucia, Sri Lanka, Britain and Tanzania. The group commented that “the unconstitutional takeover constitutes a serious violation of the Commonwealth’s fundamental principles.” Fiji would be banned from participating in meetings of Commonwealth Ministers and leaders until it had returned to democracy, any future technical assistance programmes to help Fiji would also be suspended until elections had taken place. While neither New Zealand or Australian Ministers were present in the meetings, the decision to immediately suspend Fiji with conditionality based on a return to democracy rather than a fact finding mission to assess the situation in Fiji as the Forum had done, illustrated undeniably that the Commonwealth was in line with New Zealand’s policy of exclusion rather than engagement. As with the Pacific Islands Forum, the Commonwealth of Nations was carefully following Bainimarama’s commitment to hold open democratic elections by March 2009. In terms of process the Commonwealth set up a Commonwealth Ministerial Action Group to consult

445 Ibid.
446 Ibid.
with important leaders and organisations in Fiji so as to work towards restoring democratic rule to Fiji. Despite PNG initially voting for the suspension of Fiji immediately following the coup, Prime Minister Sogavare announced at the Commonwealth Heads of Government Meeting (CHOGM) in November 2007 that the PNG government would be providing US$41,000 to Fiji for the planned 2009 Fiji elections. This timing lines up with PNG appeals at the Pacific Islands Forum and the MSG to engage with Fiji and help Fiji meet its March 2009 deadline.

The Commonwealth position, like that of the Pacific Islands Forum was to exclude Fiji from Commonwealth activities until Fiji had returned to democratic rule. With Bainimarama’s continual stalling around election dates, eventual admission that elections would not be held by March 2009 and the passing of the Fiji deadline, the Commonwealth was further pushed towards a full suspension of Fiji from the group. On the 31st of July 2009 nine Commonwealth Foreign Ministers including New Zealand’s Murray McCully met in London to discuss the future of Fiji’s membership. A further deadline was made with September 1st the final day to announce elections that were to be held no later than October 2010. With the passing of September 1st and no commitment to hold elections earlier than 2014, Fiji was officially fully suspended from the Commonwealth on the 2nd of September 2009. New Zealand’s Foreign Minister McCully commented that the suspension would mean “an end to technical assistance to Fiji, except assistance aimed at restoring democracy, and Fiji will not be able to participate in Commonwealth sporting events, including next year’s Commonwealth Games.” The ban on Commonwealth Games’ attendance can be seen as one of the most significant aspects of the suspension. Fiji has a very strong sporting culture and being prevented from attending the 2010 Delhi Commonwealth games must have had a sizable impact upon Fiji.

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451 Ibid.
456 See chapter three discussion of New Zealand’s sporting sanctions following the 2006 Fiji coup.
Overall, the Commonwealth appears to have followed a similar policy direction to that of the Forum. New Zealand and Australian influence can undoubtedly be seen as at least partly responsible for the approach taken by the Commonwealth. Many Commonwealth countries have varying degrees of human rights abuses but seldom has action from the group been as swift as it was in the case of Fiji following the 2006 coup. In this respect, it closely mirrored New Zealand’s immediate and firm policy response. Once again the Commonwealth response, like that of the Pacific Islands Forum appears to have been more critical of Fiji due to New Zealand and Australian pressure.

**The impact of Regional Organisations following the coup**

The impact that New Zealand’s policy towards Fiji has had on regional organisations and ‘like-minded’ states following the coup so far has been mixed. While Australia shared the tough sanction-based approach held by New Zealand, this was not echoed throughout the other states of the South Pacific. The Commonwealth of Nations quickly made its view clear by suspending Fiji, reflecting the stances taken by New Zealand and Australia and giving credibility to an exclusionary approach. Other parties’ responses were far more reserved. Despite the Forum condemning the actions of coup leaders, it did not believe sanctions were appropriate and felt that engagement and encouragement towards Fiji was more valuable than excluding them. The will that was present in suspending Fiji from the Commonwealth was clearly not present in the Forum in early 2007. The Melanesian Spearhead group went to the other extreme supporting Fiji as an independent state and openly advocating support for Fiji should other states try and suspend them from the Forum.

In contrast to New Zealand’s established regional presence in the South Pacific, the PRC’s investment and interaction with the Melanesian Spearhead Group has undoubtedly given the group a greater presence in the region. With better finance and a formal secretariat, the MSG has become a more vocal actor in the South Pacific giving an alternative perspective to Australia and New Zealand in the region. While the 2010 meetings to pass the Chairmanship of the Group over to Fiji were eventually postponed, the attempt to appoint Bainimarama as the Chairperson of the organisation reveals the division between the MSG and the Pacific Islands Forum. With greater PRC support, the MSG has the potential to become more powerful in the region and may prove to be a polarising force in the Forum. Even if the
implications of PRC support for the Group were not foreseen, the increased presence has

damaged the cohesiveness of the Forum.

What the responses from the various stakeholder groups showed was that the region was
fragmented in its approach to the Fiji issue. As a consequence, New Zealand’s policy stance
may have been persuasive, particularly in the Commonwealth and less so in the Forum. Still
a clear and decisive regional action in line with New Zealand’s sanction-based policy towards
Fiji was unable to be reached. This went so far as to risk dividing the Forum into those states
who supported engagement with Fiji and those who supported sanctioning the regime. It is
reasonably certain that PRC support for the MSG following the Fiji coup was not as a
response to the coup itself. Nevertheless, this support has damaged New Zealand’s position
in the Pacific Islands Forum by giving a more sympathetic soapbox for Bainimarama
credibility. Overall, New Zealand has been proactive by using its influence to push for unified
pressure on Fiji, while by contrast, the PRC has been much more passive, but has perhaps
unwittingly hampered New Zealand’s efforts through its support of the MSG.
Chapter five: Conclusion

The 2006 Fiji coup was responded to in very different ways by the PRC and New Zealand. New Zealand had become increasingly focussed on reforming the political structures and practices of Pacific Island states in what was an increasingly ‘carrot and stick’ approach to development assistance: conditional aid as an incentive, unilateral and multilateral sanctions as a deterrent. The PRC was in a very different position, despite having a presence in the South Pacific for decades, actual influence had been limited. The drive to secure diplomatic recognition in contest with Taiwan was the primary focus of their involvement in the South Pacific. Small underdeveloped island states with small populations possessed the same UN voting power as much larger countries making the South Pacific an ideal candidate for PRC/ROC chequebook diplomacy. As the PRC economy began its phase of rapid growth, the demand for raw materials meant the South Pacific had become useful to the PRC for more than simply recognition, it was a valuable cache of resources to fuel economic expansion.

Taking into account the background to New Zealand’s policy direction in the South Pacific and the fact that sanctions had been put in place following the previous coups, the restrictions placed on Fiji on December the 5th and 6th 2006 seem to be a predictable response. Because New Zealand has trade, diplomatic and security interests that benefit from a politically stable South Pacific, the sanctions were designed to pressure Fiji into holding democratic elections which would hopefully stabilise the Fijian political situation. By restricting travel, sporting, military contacts, seasonal worker schemes and diplomatic engagement, New Zealand was attempting to not only manipulate public opinion in Fiji against the Bainimarama government, but also encourage the international community to put even greater pressure on Fiji.

However, the 2006 Fiji coup can be distinguished from the previous Fiji coups in a number of significant ways, which made New Zealand’s policy less effective. These were both internal

457 Tamara Renee Shie, "Rising Chinese Influence in the South Pacific: Beijing's "Island Fever"," Asian Survey 47, no. 2 (2007), 316
factors in Fiji as well as wider changes to the region and more active outside powers. Unlike the 1987 and 2000 coups it did not appear to be a coup to entrench and extend the rights of indigenous Fijians. In fact the 2006 coup appeared to be doing the opposite, by calling for harsher sentences for those involved in the 2000 coup and going against Qoliqoli rights that would undoubtedly have benefitted ethnic Fijians and harmed the rights of Indian Fijians.

Furthermore, Bainimarama was someone that New Zealand had supported in his armed removal of George Speight in 2000. There was no loss of life sustained by the coup, nor was there any significant damage to infrastructure and so it could not be seen as urgent a concern as conflicts in other South Pacific states such as the Solomon Islands, PNG or Bougainville.

The 2006 coup was an event that took place with reasonable public support in Fiji for Bainimarama after the democratically elected government was seen by Indo Fijians as entrenching and increasing racial divisions and by the ethnic Fijians as unreasonably cooperating with the Indo Fijian-dominated FLP in coalition with Qarase’s party. The election result and coalition compromise seems to have been unfavourable to both the FLP and the NFP. Unlike the Speight coup and even the Rabuka coups, the 2006 coup did not have the same divisions in Fijian society with a distinctive half supporting the coup and the other half against it. By heavily sanctioning the regime in an attempt to pressure the people to rise up against the government, despite reasonable public support in Fiji for Bainimarama the impact of the New Zealand approach was lessened. This could be explained by the fact that the military was controlling Fiji and the unarmed public did not feel as though they could overthrow the government, but at this stage many of the restrictions on the freedom of press and association had not been put in place. The people still had a reasonable number of channels to protest against the Bainimarama government, yet

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widespread protests did not take place. This suggests that the people of Fiji were not necessarily as opposed to the Bainimarama takeover as the New Zealand government were.

Not only did New Zealand’s sanctions fail to encourage public uprising, the December 2006 restrictions on the Bainimarama government left little room for escalation. Because the Clark government was targeting such a wide range of sanctions from the outset, when the situation deteriorated in Fiji with the expulsion of New Zealand’s High Commissioners and the crackdown on the judiciary and media in Fiji, no further unilateral sanctions could be put in place. This was despite strong rhetoric from the Clark government that New Zealand would increase its sanctions on the Bainimarama regime. 467 What this effectively means is that the strong stance taken by the New Zealand government following the coup limited its ability to adequately condemn the actions of the Bainimarama government at a later date.

A further problem with the Clark government’s response to the 2006 coup is that the majority of the sanctions required a unified response from the international community, in order to pressure the Fijian government into holding democratic elections. This did not take place, criticism and pressure from the European Union, New Zealand, Australia, The United States and other international actors’ was not accompanied by similar condemnation from other increasingly important countries such as the PRC. Instead the PRC has capitalised on international actors’ exclusion of Fiji by replacing them in roles they had previously held before the coup. In particular Chinese ties with the Fijian military increased immediately after the coup. 468 This problem has been paralleled by the sanctions and international pressure placed on regimes such as the military junta in Myanmar. 469 The sanctions and international pressure placed on Myanmar has been diluted by PRC support for the regime. 470 The international community has lacked a unified response to the human rights abuses in the country and so the impact of the restrictions and pressure has been limited. 471 States have had little success in changing the PRC position towards Myanmar and despite

469 See Emma Larkin, Everything is Broken: The Untold Story of Disaster Under Burma’s Military Regime (Penguin Press, 2010).
strong condemnation of the military junta very little constructive dialogue has taken place with Beijing to deliver a unified international response. 472

While PRC support for Fiji has increased following the coup it is unlikely the PRC is engaging Fiji more because of the 2006 coup directly; the PRC is becoming more involved in all South Pacific states that recognise the PRC irrespective of their systems of government and relationships with neighbouring states. Many of the commitments of support to Fiji were made under the democratically-elected Qarase administration, and even Mahendra Chaudhry visited the PRC in 1999. 473 Like PRC support to African states, interaction is not conditional on the domestic political situations of sovereign states, it instead focuses on recognition and resource acquisition. 474 Because support from New Zealand and other Western states was removed following the 2006 coup, the military takeover gave the PRC the opportunity to expand its influence in Fiji. This is particularly noticeable in military joint exercises that were previously held between Fiji and New Zealand now being carried out between the PRC and Fiji. 475 By suspending interactions with the RFMF, the PRC has taken over what was previously an area of New Zealand-Fiji cooperation. Importantly, this initiative was one that was pushed by Bainimarama as means to seek new avenues of international support following the 2006 coup to replace that lost through Western powers’ sanctions. 476 This is significant as it shows that Fiji is actively seeking support from the PRC to fill the gaps left by New Zealand’s sanctions, rather than the PRC deliberately and assertively seeking to capitalise on the 2006 coup.

Regardless of the intentions of the PRC following the coup, Chinese support has effectively reduced the impact of New Zealand’s sanctions in a number of key areas. Trading links as well as traditional diplomatic ties have shifted in favour of the PRC following the 2006 coup. 477 A number of high profile visits of PRC officials to Suva and invitations for Bainimarama to travel to China have treated Bainimarama as a legitimate leader of a
sovereign state, something New Zealand disputes. What this diplomatic engagement with Bainimarama does is give the coup administration a degree of legitimacy. By inviting members of the Bainimarama government the leadership is treated like any other international actor, consequently, the pressure put on the international community by New Zealand to isolate Fiji begins to lack credibility. With statements from the PRC calling the Fiji coup a “domestic matter” and Bainimarama treating the PRC as a “significant friend”, the Fijian government is given international credibility and treated as a legitimate international actor by Beijing. One of New Zealand’s goals in imposing sanctions on Fiji following the coup was to isolate the state from the international community and effectively pressure Fiji to hold democratic elections, by engaging diplomatically with Fiji the PRC has undermined this policy goal.

The diplomatic relationship between Suva and Beijing has not been entirely one-sided with the PRC being a friend to Fiji without reciprocity. Following the 2008 crackdown on Tibetan rioters by the PRC government, Bainimarama wrote to Beijing stating that the PRC response was a matter of national security and a purely domestic issue for the Chinese government. This stand taken by Bainimarama shows that diplomatic engagement with the PRC is certainly beneficial for both countries. The PRC supported Bainimarama following the coup giving credibility to the Fijian government as well as providing aid and other assistance. At the same time Fiji is supported by the PRC, not only by providing investment opportunities for Chinese businesses but also political support for PRC actions against protestors in Tibet.

PRC support following the 2006 coup has not been purely diplomatic; trade and tourism have been important areas of increased cooperation between the PRC and Fiji. While the granting of Approved Destination Status (ADS) was granted to Fiji before the coup, greater commitments have been made since the 2006 coup took place. Fiji was included in the

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478 Ibid.
480 Ibid.
481 “Nothing 'sinister in Fiji's support for China,” Fiji Times, 01/04/2008.
484 Ibid.
multimillion dollar Pacific Pavilion at the World Shanghai Expo in 2010 despite its suspension from the Pacific Islands Forum.\(^{485}\) This tourism cooperation must be viewed as an emerging and evolving area of engagement with large numbers of tourists from Australia and New Zealand accounting for the majority of visitors to Fiji despite the sanctions put in place by the New Zealand government.\(^{486}\) Regardless of visa restrictions being relaxed for Chinese tourists in Fiji and ADS as well as an Air Services Agreement with the PRC, allegedly only one percent of tourists visiting Fiji are from China.\(^{487}\) Although the PRC has some private investment in the tourism area in Fiji, apart from structural and procedural changes the Chinese government has not directly invested in the sector.\(^{488}\) Overall, the tourism market is still dominated by New Zealand and Australia, despite the December 2006 sanctions.

In terms of development aid, the PRC has certainly been more vocal about its support for Fijian projects following the 2006 coup. The PRC still provides development aid on an ad hoc basis rather than through sustainable long-term commitments. Support is delivered between governments rather than through local and international NGOs operating in Fiji.\(^{489}\) This is in part due to the commitments made in the 2006 Ministerial Conference, in particular the US$600 million soft loan facility set up at the 2006 meeting has been utilised by the Fijian government to support infrastructure projects such as low cost housing.\(^{490}\) From large projects such as the Navuso Bridge and Somosomo hydro power station\(^{491}\) to smaller operations like the fencing of Government House\(^{492}\) and fertilizer grants, the PRC provides aid on a project by project basis.\(^{493}\) This is significant as it demonstrates that the PRC has a very short-term outlook towards Fiji and the South Pacific and suggests that they do not have a comprehensive long term strategy for Fiji and the region.

In contrast, New Zealand aid to Fiji has a long term development focus. Despite removing aid that was distributed by the Fijian government, NZAID continued to operate through NGOs in

\(^{486}\) Sandra Tarte, "Fiji's "Look North" Strategy and the role of China," in *China in Oceania: Reshaping the Pacific?*, ed. Terrence Wesley-Smith (Berghahn Books, 2010). 126
\(^{487}\) Ibid. 126
\(^{488}\) Ibid. 127
\(^{489}\) Ibid.
\(^{490}\) "Fiji gets $25 million loan from China," *Fijilive*, 04/06/2010.
\(^{492}\) "China to pay for Fiji government house fence," *Fiji Sun*, 19/05/2010.
\(^{493}\) "Fiji benefits from China’s fertilizer assistance," *Xinhua*, 03/03/2010.
Fiji following the coup.\textsuperscript{494} New Zealand’s aid is not delivered on the same ad hoc basis as PRC aid; instead it is structured under the overarching policies of the Pacific Strategy 2007-2014 and the Forum initiative the Pacific Plan.\textsuperscript{495} The different approaches to aid have significant implications for the relationship between New Zealand, the PRC and Fiji. Firstly, the problem with the ad hoc approach to aid in Fiji following the coup is that it fails to address the underlying problems within Fiji such as the root causes of poverty. Power projects and housing loans lack an overarching strategy for long-term prosperity in Fiji. By contrast, New Zealand may have considerably less financial resources than the PRC, yet the New Zealand approach is to improve the underlying processes and institutions that educate and improve the opportunities of Fijians to alleviate poverty.\textsuperscript{496}

Hanson has been particularly critical of the PRC response to the 2006 coup and its engagement with Bainimarama, saying that the way that China operates is to build large infrastructure projects without a long-term development strategy or consideration of the maintenance costs of such projects on the fragile economies of states such as Fiji.\textsuperscript{497} This does appear to be true, but rather than an argument entirely against the PRC approach to the South Pacific, it is evidence that the PRC is not in fact a substitute for New Zealand Aid in Fiji. It is obvious that the New Zealand government simply could not afford to pay for the larger projects that are funded by the Chinese Government and as such these projects can be a valuable addition to the consistent aid that New Zealand delivers in Fiji. Problems are not necessarily with the scale of such projects, but rather with the suitability and construction of them in the Fijian environment as well as the associated debt burden.

A key problem when looking at the commitments made by the PRC in Fiji following the coup (as in other areas in the South Pacific) is that they do not necessarily result in the projects being carried out.\textsuperscript{498} This is due to a number of key factors, firstly the bureaucratic processes of the PRC are a major barrier when accessing funds allocated for South Pacific projects.\textsuperscript{499}

\textsuperscript{494}“Frequently asked questions about New Zealand’s policy towards Fiji “, Ministry of Foreign Affairs and Trade, http://www.mfat.govt.nz/Foreign-Relations/Pacific/0-Fiji-FAQ.php.
\textsuperscript{496}Fergus Hanson, "China: Stumbling Through the Pacific," (Lowy Institute for International Policy 2009). 7
\textsuperscript{497}Ibid. 5
\textsuperscript{498}Sandra Tarte, "Fiji's "Look North" Strategy and the role of China," in China in Oceania: Reshaping the Pacific?, ed. Terrence Wesley-Smith (Berghahn Books, 2010). 125
\textsuperscript{499}Ibid. 126
The complex government structures of the PRC means that aid policy is carried out by the Ministry of Commerce under the Department of Aid to Foreign Countries responsible for the drafting and allocation of aid policies, the Bureau for International Economic Cooperation is then responsible for the implementation of aid. Soft loans are then processed and funded by government owned banking institutions. This is all done outside of the PRC Ministry of Foreign Affairs. This structure effectively means that commitments made by government officials and diplomatic representatives are often difficult to process and implement through the PRC system. As a result, funding commitments are very difficult to actually access. This was shown with the Fijian government’s attempts to secure funding following the 1st Ministerial Conference, when only a fraction of what was asked for was actually delivered.

PRC bureaucracy has not been the only obstacle in actually delivering the commitments made following the coup, China’s expansion into Fiji has left it without an established implementation structure for its commitments to be put into action. NZAID has used established NGO mechanisms to implement aid policies following the coup. The problem with the PRC approach is that by limiting its implementation to be either through the Fijian government or directly by using PRC materials, labour and direction, the process is likely to be significantly longer, if it can be delivered at all.

These factors are not a reason for PRC commitments to Fiji following the coup to be overlooked, but they cast a degree of doubt on the real level of development aid going to Fiji. The problem is, due to the lack of transparency surrounding the implementation of Chinese aid policy, it is difficult to actually assess the real impact PRC funding is having. The figures stated by think tanks such as the Lowy Institute in Australia allege $US 206 million of grants and loans were earmarked for the South Pacific in 2008. These are likely to overstate the actual amount that is allocated to the South Pacific. A large amount of the media attention surrounding PRC involvement in Fiji following the coup is created through official

504 Fergus Hanson, “China: Stumbling Through the Pacific,” (Lowy Institute for International Policy 2009).
statements made by the Bainimarama regime, it is likely that they have been exaggerated partly to show the international community that their sanctions were ineffective and, secondly, to prove to the people of Fiji that the coup was not harming their international support.

Another key criticism of PRC engagement in Fiji following the coup and also in other South Pacific states is the debt burden of PRC soft loans. Because these loans are low interest they are often taken up by small states because the amounts of money simply would not be available from smaller donor states such as New Zealand (see appendix one for a detailed breakdown of financial support in 2008). These loans form the basis of PRC foreign financial assistance. The problem with these loans in Fiji and throughout the South Pacific is that, despite the fact that they are low interest and have a procedure in place to be converted into a grant, there is no guarantee that these loans will in fact be overlooked when they reach maturity. Furthermore, even at a low interest rate of 2% they have the potential to be crippling for an impoverished island state. What this means for Fiji is that by accepting these loans, Fiji is becoming increasingly financially reliant on the PRC.

**Regional organisations following the coup**

Both New Zealand and the PRC have been involved with relevant international organisations in different ways following the coup, New Zealand through the PIF and the PRC by funding MSG activities. The impact of the countries’ stance at a regional level is still very much an evolving issue, particularly with the 2010 series of postponed MSG meetings. New Zealand can be seen as being ultimately successful in its bid to persuade the Forum to pressure Fiji into holding elections with the eventual suspension of the Fijian government from the Forum in 2009. The problem with the New Zealand policy to use regional and international influence to pressure Fiji is that its approach is not shared by all Forum member states. Despite unanimity at the meeting to put in place criteria to suspend Fiji, the actual suspension was not voted for unanimously but was an automatic decision as the

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deadline to announce elections passed. With Melanesian states such as the Solomon Islands and PNG openly advocating for greater engagement with Fiji, regardless of an official Forum position excluding Fijian involvement, the Forum has shown clear divisions. This rift has been exacerbated by Samoan attempts to have the Forum secretariat moved from Suva to Apia in an attempt to capitalise on the condemnation of the Fijian government by Australia and New Zealand.

The greater presence of the MSG has further fractured the Forum’s position. The MSG has lacked consistency in its stance towards Fiji, particularly in 2010 with the continual postponement of meetings that eventually handed the chairmanship over to Bainimarama. The group has often called for greater engagement with Fiji, a position that certainly has not been shared by New Zealand and Australia. As an autonomous regional organisation the MSG position has not stalled the unanimity of the Forum in its decision making processes, however it has effectively undermined the position the Forum has taken on Fiji as the Group continues to engage with Bainimarama. This problem has been exacerbated in 2010 with the PRC funded annual MSG meeting where the chairmanship of the organisation was to be transferred from Vanuatu to Fiji. Seeking to use the opportunity to gain support from other Pacific Island states Bainimarama invited the Foreign Ministers of non-MSG member states to attend. This invitation risked the role of the MSG changing from a regional block to a greater lobby group in the region to balance the voices of Australia and New Zealand. The invitations to New Zealand and Australian Foreign Ministers were revoked soon after they had been offered. This meeting officially did not take place, instead becoming the ‘friends of Fiji’ meeting at the last minute. Regardless, this attempt to polarise the South Pacific shows the potential threat posed by a more powerful MSG that includes Fiji. The former Deputy Prime Minister of Vanuatu Sato Kilman said that the MSG was as an “emergence of a political will to offer an alternative to

512 ibid.  
516 “Bainimarama takes back invite to Pacific Ministers,” Radio Australia, 02/06/2010.  
517 Ibid.  
518 “Bainimarama hopes to host 'Friends of Fiji',” FijiLive.
hegemonic domination on regional issues.\textsuperscript{519} If the Forum is divided and cannot reach consensus in its decision-making, the organisation can no longer function.

The stance that the MSG has taken towards Fiji following the coup cannot be directly attributed to the PRC; the PRC is not a member of the group. However, it is extremely unlikely that the MSG would have had the same presence and publicity without PRC funding of the Vanuatu secretariat and the 2010 AGM. PRC support for the MSG has effectively given the Group a more prominent presence in the region and subsequently given Bainimarama as a member, a greater ability to speak out against the New Zealand position. Rather than viewing this as a deliberate move by the PRC to undermine the New Zealand approach towards Fiji, it is yet another example of Chinese involvement with whomever they choose, regardless of the wider implications to the member states and the region. The MSG has been often touted as a real threat to the Pacific Islands Forum and Pacific unity since its conception.\textsuperscript{520} So the fact that the PRC has given this group more resources appears to be a result of a policy that overlooks the wider implications of Chinese interaction within the region.

New Zealand vowed to actively engage the international community and regional organisations in an attempt to pressure Fiji following the 2006 coup, predominantly through the Pacific Islands Forum. The PRC provided resources and funding to a potentially divisive actor in the South Pacific, that despite a lack of coherence in policy, has actively called for engagement with Fiji in contrast to the New Zealand position. In this way both New Zealand and the PRC can be seen as responsible for a polarisation of the South Pacific following the coup. The Clark and Key governments in New Zealand, along with Australia, pressured other Pacific Island states to isolate Fiji. The lack of real will in the Forum to adopt the stance of New Zealand and Australia is clear with the delay in suspending Fiji, and member states sporadically calling for greater engagement with Bainimarama. By empowering Melanesian states through the MSG, the PRC has further increased this rift.

\textsuperscript{520} "South Pacific Forum loses relevance;," \textit{Fiji Times}, 13/10/1999.
Would the Chinese involvement in Fiji have been the same if the 2006 coup had not taken place?

In 2009, at a meeting of the NZ-Fiji Business Council, Minister of Foreign Affairs Murray McCully responded to critics of New Zealand’s policy towards Fiji and claims that sanctions had opened the door for China to replace New Zealand in Fiji. McCully said the following:

*China is a rising superpower with an interest in acquiring markets and resources in this region. With or without a coup, China would be a strong player in the region, and a strong competitor in our markets.*

This appears to be only a partially valid statement; it is true that the PRC is engaging other South Pacific states, and as an emerging superpower certainly won’t be restrained by a small state such as New Zealand. However, what New Zealand’s sanctions did is provide an opportunity for the PRC to become more involved in Fiji and effectively replace New Zealand’s involvement in areas such as military training. It is unlikely this transition would have been as rapid if the coup had not taken place and New Zealand had not sanctioned Fiji providing the PRC with the opportunity to take over some of the areas that New Zealand had restricted.

This substitution effect has not meant that New Zealand’s sanctions have been entirely ineffectual, areas such as sporting contacts and travel sanctions could not be replaced by an opportunistic PRC. The reality is that New Zealand is the home of many Fijians whose families still reside in Fiji; even Bainimarama’s relatives live in New Zealand. This link simply cannot be replaced by a more involved China. The same can be said about sporting contact, New Zealand’s involvement in sports such as rugby and netball are the same as those played in Fiji. More New Zealanders visit Fiji as tourists than Chinese people despite the chilly relationship between Wellington and Suva. So even though the PRC has undoubtedly gained a greater stake in Fiji following the coup, it is currently not possible for it to fully replace New Zealand.

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522 Ibid.
The future of New Zealand and the PRC in Fiji
In 2010, it is difficult to assess the future of PRC and New Zealand involvement in Fiji as so much depends on whether elections are held in 2014. It is unlikely the New Zealand position would relax significantly towards Fiji unless credible steps are taken that indicate free and fair elections are going to take place. In the years following the coup, sporadic criticism has suggested that the position towards Fiji could be relaxed, particularly in Australian politics.\textsuperscript{524} In the lead-up to the 2010 Australian general election both Julia Gillard and Tony Abbot were called on to “mend Pacific fences” and engage with Fiji to show Australia’s commitment to consensus decision-making in the Forum.\textsuperscript{525} An actual shift in policy is yet to occur, but if it does the New Zealand government is likely to follow suit. Evidence that a new approach is needed has been shown with the United States announcing that a new USAID office would be built in Suva as the central operations point for US aid to the South Pacific.\textsuperscript{526} The Bainimarama government has called this a signal of a changing approach to the Fiji situation, with Permanent Secretary to the Prime Minister’s Office Pio Tikoduada calling the move a show of confidence in Fiji, something other states should follow.\textsuperscript{527} As the US position is becoming more flexible it is possible that New Zealand could also become more flexible before the 2014 election date. This is particularly significant given that the current sanctions in place by New Zealand have not effectively pressured Fiji to hold elections before 2014.

Despite New Zealand isolating Fiji and being replaced by the PRC in a number of key areas, New Zealand still continues to be a significant trading partner for Fiji and the home of many Fijians. These factors are likely to remain, regardless of the political climate between Suva and Wellington, although Fiji-PRC trade is likely to increase in the future. When the Bainimarama government is replaced, New Zealand will likely be able to resume normal diplomatic engagements with Fiji. With general elections held every three years in New Zealand: new governments have the ability to change foreign policy direction and escape the less effective policies of the previous administration.

The future position of the PRC in Fiji is equally difficult to determine. However, until the Taiwan issue is resolved, ROC-PRC rivalry is likely to influence PRC policy in the South Pacific.

\textsuperscript{524} Ibid.
\textsuperscript{525} Ibid.
\textsuperscript{527} Ibid.
It is true that the PRC has actively engaged with Fiji following the coup; however the long term sustainability of the relationship is not assured. The relaxing of visa requirements for Chinese tourists by the Bainimarama government risks a greater influx of illegal Chinese overstayers. Visas were deliberately tightened up by the Qarase government to try and address the already growing issues of transnational crime and other criminal activities carried out by Chinese migrants in Fiji. The problem is not only with illegal migrants, but also with Chinese living legally in Fiji replacing Fijian citizens in jobs traditionally held by locals, fostering resentment and possible conflict. Given Fiji’s history since independence of forceful entrenchment of indigenous Fijian rights, it seems entirely plausible that this influx of new Chinese migrants has the potential to be a grave domestic issue for the Bainimarama government. While this cannot be seen as a direct policy of the PRC it is a symptom of greater Chinese involvement in Fiji. This issue is compounded by difficult extradition procedures preventing the successful relocation of overstayers and other illegal migrants back to the People’s Republic. If this is not addressed bilaterally between the PRC and Fiji this has the potential to damage the long term relationship between the two countries.

The PRC responded to the 2006 coup by treating the seizure of power as a purely ‘domestic issue’, assistance then continued as it had before the coup. The issue with this approach is that should the Bainimarama government be removed from power either through a counter-coup or through democratic elections, the PRC risks being seen by the domestic Fijian population as a supporter of an unfavourable and repressive government. The lack of organised resistance against the Bainimarama regime may suggest that it has a degree of local support or at least domestic indifference towards the government. Bainimarama has made it clear that the traditional roles New Zealand and Australia played in Fiji have been replaced by China. This link has been compounded by the issue of PRC aid tending to be intergovernmental rather than through NGOs and other local distribution mechanisms, the PRC is linked with the government of Fiji more than it is with the Fijian people. Certainly, the

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529 Ibid. 55

benefits of Chinese projects such as stadiums are felt at a ground level, but the key
diplomatic interaction is intergovernmental. The PRC has put little effort into public
diplomacy efforts to improve its relations with the wider public in Fiji.\textsuperscript{531} This could
potentially mean that the PRC could lose its influence in Fiji should the Bainimarama
government be overthrown.

**The South Pacific region**
The impact of this difference in approach to the South Pacific following the coup is part of a
wider issue in the South Pacific. The 2006 coup shows very clearly where New Zealand and
PRC policy have clashed, but this is a phenomena occurring throughout the region to varying
degrees. The fact that PRC support ostensibly only requires recognition of the Chinese state
as well as the potentially huge amounts of money offered by the PRC, makes the conditional
New Zealand approach to the South Pacific less desirable. The substitution of New Zealand
support for PRC support in some areas is almost an inevitability, given the opportunities
offered by the PRC to these small island states. Across the South Pacific, Chinese investment
has increased dramatically and many states have signed up to previously unheard of levels of
Chinese debt. With PRC development aid has come an increasing PRC presence in local
island economies with jobs previously held by Pacific islanders being taken by new Chinese
migrants.\textsuperscript{532} This increasing foreign population has been resisted and challenged by local
island communities with violence directed against Chinese in Tonga, the Solomon Islands,
Tahiti, PNG as well as in Fiji and other South Pacific states.\textsuperscript{533}

Consistency of aid is a problem in Fiji and the South Pacific region. The 1\textsuperscript{st} Ministerial
Conference of China Pacific Island Countries Economic Development and Cooperation Forum
in 2006 promised a much greater PRC presence in the South Pacific. This meeting was
supposed to be held every four years with the next meeting to be held in Beijing in 2010.\textsuperscript{534}
Despite the greater PRC presence in the region there has been no indication that a second

conference will even take place. The PRC government has failed to respond to requests for a
date when the next meeting will be held. This lack of consistency means that New Zealand is
unlikely to be replaced by the PRC, despite the bigger commitments and less direct
conditionality of PRC development aid. New Zealand’s structured aid programme may be
dependent on a number of conditions but it has long-term targets for South Pacific states
and assures stable and ongoing aid to provide for “sustainable economic development.”

The disconnect between PRC commitments and assistance delivery is another issue for the
South Pacific. Not only is PRC support given on an ad hoc basis, it is also often difficult to
receive after it has been promised. The lack of implementation infrastructure as well as
bureaucratic difficulties in the PRC government mean that Pacific States have not been able
to effectively capitalise on Beijing’s promises of a greater relationship. There appears to be a
considerable disconnect between what is committed and what is provided. Despite the PRC
increasing its aid commitments to the South Pacific with rough estimations of between
US$100 million and US$150 million per year, this is still dwarfed by Australia’s contribution
of over US$400 million to the region. China is certainly an important new actor in the
South Pacific but is not the most powerful and involved country yet.

The PRC has undoubtedly become more engaged with the South Pacific from 2006-2010,
offering new opportunities to island states such as soft loans, diplomatic support and
infrastructure development. Rather than an alternative to the traditional players in the
region this support ought to be viewed as additional and not necessarily competing. The
governments of both New Zealand and Australia have shown little interest in exploiting
natural resources in Forum member states, instead focussing on building stability in the
region. China’s search for resources and recognition does not need to undermine the policy
goals of New Zealand and Australia. Nor do trans-Tasman objectives necessarily need to
conflict with the policies of the PRC. What needs to happen to reduce the policy conflict
seen with the 2006 Fiji coup, is a greater willingness by all sides to work cooperatively
together to develop a cohesive and coherent strategy enabling them to effectively deal with
such crises. By supporting potentially divisive groups such as the MSG the PRC is not acting

535 Murray McCully, “Address to NZ-Fiji Business Council,” Ministry of Foreign Affairs and Trade,
as a responsible power in the region and perhaps unwittingly has further polarised the Pacific Islands Forum. Likewise, New Zealand’s policy pressure in the Pacific Islands Forum and Commonwealth has further entrenched the divide between the trans-Tasman partnership and the other Forum member states. Should the current anarchic opportunism continue the region is likely to become less stable as the PRC attempts to exploit resources and form diplomatic allegiances without a wider strategy of engagement. Meanwhile, New Zealand works to pressure and condemn unruly Forum Member states. An unstable region impacts negatively upon both New Zealand and PRC interests. As such, New Zealand and the PRC need to work out a way to co-exist and look to develop a more coherent strategy to protect the stability of the regional organisations and the South Pacific as a whole.
## Appendix 1

### PRC and New Zealand financial support to the South Pacific 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>PRC</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook Islands</td>
<td>US$2.9 million (US$1.1 million loans)</td>
<td>US$3.4 million</td>
</tr>
<tr>
<td>Federated States of Micronesia</td>
<td>US$4.5 million</td>
<td>US$0.1 million</td>
</tr>
<tr>
<td>Fiji</td>
<td>US$6.9 million (US$83.1 million loans)</td>
<td>US$1.8 million</td>
</tr>
<tr>
<td>Kiribati</td>
<td>-</td>
<td>US$2.3 million</td>
</tr>
<tr>
<td>Nauru</td>
<td>-</td>
<td>US$0.8 million</td>
</tr>
<tr>
<td>Niue</td>
<td>US$0.2 million</td>
<td>US$16 million</td>
</tr>
<tr>
<td>PNG</td>
<td>US$10.23 million</td>
<td>US$13 million</td>
</tr>
<tr>
<td>Samoa</td>
<td>US$6.7 million (US$40 million loans)</td>
<td>US$6.9 million</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>-</td>
<td>US$20.4 million</td>
</tr>
<tr>
<td>Tonga</td>
<td>US$20.5 million</td>
<td>US$10.3 million</td>
</tr>
<tr>
<td>Tokelau</td>
<td>-</td>
<td>US$14.2 million</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>-</td>
<td>US$2.2 million</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>US$1.4 million (US$28.8 million loans)</td>
<td>US$7.5 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>US$53.33 million (US$153 million loans)</td>
<td>US$98.9 million</td>
</tr>
</tbody>
</table>

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537 Please note this table should serve as an indication of the financial support provided by New Zealand and the PRC in 2008. NZAID figures are for the 2007/2008 financial year while PRC figures are for the 2008 Calendar year.

538 Fergus Hanson, “China: Stumbling Through the Pacific,” (Lowy Institute for International Policy 2009). Please note this is an estimate and some of the projects may be funded through soft loans announced in 2006. Some funding may not be included.

539 “NZAID Annual Review 2007/2008,” (NZAID, 2008). Please note this figure has been converted from NZD
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