

ALLIANCE THINKING ABOUT DETERRENCE IN THE PACIFIC ISLANDS REGION

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Introduction

When discussions regarding strategic competition between the United States and China invariably turn to potential sites or circumstances for military confrontation — if not deterring conflict in the first instance — few analysts or policymakers would nominate the Pacific Islands region (PIR) as a priority theatre. Yet it is fast becoming “a strategic [frontline](#) in a multi-nation contest for power and influence” in the Indo-Pacific, not least in the scheme of Great Power competition. Substantial analytical and journalistic reporting in recent years has been devoted to examining Chinese and US competition for regional political and economic influence. Questions over security and deterrence, however, have so far largely escaped closer analysis, even though there are significant mid-term “military and geopolitical [advantages](#)” at stake.

For the US, there is a growing need to consider these matters with greater urgency, not least considering that one of its closest treaty allies—Australia—is a resident power in the PIR. On the one hand, Australia is both advantageously and perilously located on the frontline of a relatively new theatre of strategic competition. On the other hand, the US-Australia Alliance has not been required to grapple with questions of deterrence and defense against powerful adversaries in the PIR for many years. Notwithstanding a long history of military cooperation, the PIR’s unique

[geography](#), complex geopolitical [character](#) and growing Chinese [presence](#) collectively present a new challenge for the US-Australia Alliance, and the serious chance that China could become a resident military power in the PIR should prompt a serious rethink of what collective regional [deterrence](#) should look like in a new geostrategic context.

The Mismatch Between Interests and Resourcing

Historically, US regional [interests](#) have been most acute where Washington possesses sovereign territories or enjoys access, primarily across the northern arc of the PIR. Since the 19th century, locations across the PIR’s north—Hawaii, Guam, the Compact of Free Association States, and others—have helped sustain American commercial and political interests in Asia, while since the end of World War II, a robust regional military presence has allowed the US to maintain a favorable regional [balance of power](#), protecting the freedom of movement of goods, ideas, and—should needs arise—American and/or allied forces to regional flash-points. Possession of or access to Pacific territories has also allowed America to [deny](#) these areas to potentially hostile powers who might seek to threaten the US homeland. Such concerns have largely lain dormant since Imperial Japan’s defeat in September 1945, but have risen again in the wake of China’s rise.

In fact, many argue that a growth in China’s influence in the PIR has occurred while Washington has been asleep at the wheel. For the purposes of this paper, America’s failure to adequately invest in regional security initiatives and local US force posture are of primary concern. The Obama Administration’s ‘Rebalance to Asia’ did include some Pacific-relevant [initiatives](#) such as increasing aid, trade and investment links with the region, alongside the stated [goal](#) of shifting the bulk of US forces (including 60% of naval [forces](#)) into the Asia-Pacific by 2020. However, efforts to recalibrate regional force posture occurred in parallel with a general reduction in global force posture,

meaning that US Pacific [forces](#) have essentially “remained static” since the Rebalance was announced. It is also unclear whether the administration of President Donald Trump regards the region as strategically important. Notwithstanding the adoption of the Indo-Pacific Strategy to address China’s regional designs, there is little in the way of official documentation that clarifies Washington’s core security interests in the PIR, or that sets forth a convincing strategy for addressing the challenges posed by China there. The PIR did not rate a single mention in the administration’s [National Defense Strategy](#), while subsequent [Department of Defense](#) and [Department of State](#) documents outlining the Indo-Pacific Strategy read largely as [lists](#) of minor achievements and initiatives rather than long-term diplomatic or military blueprints for addressing pressing strategic challenges.

Symptomatic of America’s broader Indo-Pacific budgetary [shortfall](#), US military assistance to the PIR has been negligible compared with investments made elsewhere, namely in the Middle East. In 2018, for example, the entire PIR received a quarter (approx. \$1 million) of the International Military Education and Training [funding](#) extended to Jordan alone (approx. \$4 million). Nor have Pacific Island states typically received much in the way of targeted Foreign Military Financing, funding which has typically fallen under an ill-defined ‘regional’ category. Notwithstanding some encouraging signs in the [FY20 National Defense Authorization Act](#)—including expansion of the Indo-Pacific Maritime Security Initiative to include the PIR, \$1.5 billion for Indo-Pacific security initiatives under ARIA, and a directive for US Defense and Intelligence authorities to compile a report on “foreign military activities in Pacific Island countries”—there remains much for the US to do to step-up its security footprint in the PIR consistent with its identification of the Indo-Pacific as its priority theatre.

Australia has also historically recognized the strategic significance of the PIR, but has not consistently invested the material and political resources to support that perception. To varying

degrees of urgency, successive [Defence White Papers](#) have repeatedly articulated the imperative of a secure and stable PIR for Australian security. Realistically, however, since WWII Canberra has become accustomed to dealing with non-traditional security challenges such as failed states and natural disasters rather than state-based military threats or encroaching outside powers. Perhaps unsurprisingly then, Australia’s policy posture towards the PIR over the years has oscillated between “[crisis-driven interest](#)” and neglect depending on the top security priorities of the day, which for the last two decades have primarily resided in the Middle East—nearly 73% (US \$9 billion) of total operational [spending](#) since FY00/01 has gone towards distant Middle East campaigns.

In recent years, however, China’s growing power and influence have refocused Australian policymakers’ attention back on the Indo-Pacific, particularly in the PIR. Though the ‘Pacific Step-Up’ policy may not be exclusively about addressing growing Chinese [influence](#), that the policy has come largely in the wake of a growing Chinese profile in the region indicates that it is at least amongst its core drivers. Aside from expanding its [diplomatic](#) presence in the region, 35% of Australia’s (shrinking) [aid](#) budget now goes to the PIR (a number which could [increase](#) further), while Canberra could announce a range of new Pacific projects through the US \$1.26 billion Australian Infrastructure Financing Facility later this year. In the security space, the Australian Defence Force (ADF) has also stepped up its engagements with the region, conducting the annual [Indo-Pacific Endeavour](#) exercise in the Pacific in 2018, sponsoring a program to deliver 19 maritime patrol [vessels](#) to 12 Pacific states, and standing up a [Pacific Support Force](#) to lead regional military training, among other [initiatives](#).

China’s Growing Pacific Profile: Probing for Strategic Access?

Recent Australian and American initiatives in the PIR have undoubtedly been motivated by an uptick in Chinese activity and influence. In short,

Beijing's efforts to cultivate influence across the PIR could have serious strategic [implications](#) for both Australia and the United States—namely, should Chinese funding of critical infrastructure projects in the PIR ultimately pave the way for a regular People's Liberation Army (PLA) presence there. China has been criticized for using economic coercion and so-called 'debt-trap diplomacy' to secure strategically important facilities across the Indo-Pacific, most infamously in the case of [Hambantota Port](#) in Sri Lanka. Many feared that the PIR would face a similar predicament (though recent research [dispels](#) these concerns), though its [circumstances](#) are somewhat different given the particular economic, political and security weaknesses afflicting many PIR states, and the region's unique geography. In fact, the relatively small scale of the infrastructure required for small Pacific populations creates a favorable cost-benefit [dynamic](#) for China should it seek to generate strategic advantages over Australia and the US by cultivating strategic access in Pacific states.

China's diplomatic battle with Taiwan has historically driven its interest in the region, but analysts worry that additional strategic considerations could also be entering China's calculus. Some [argue](#) that recent diplomatic switches by Kiribati and the Solomon Islands from Taiwan to the People's Republic could spark a chain of events resulting in "a crescent of Pacific island nations heavily influenced by China," potentially allowing it to constrain US and Australian freedom of movement across the region. Others claim that [military expansionism](#) is in fact Beijing's long-term goal, with low-return economic [projects](#) merely part of "a pre-conflict type of shadow game" of strategic positioning with the US. A regular military presence in the PIR could enhance the PLA's regional logistics and communications networks, and allow it to surveil Australian and US military activities in peacetime, or even strike preemptively in the event of conflict in the South China Sea or East Asia.

Recent evidence adds weight to these concerns. Initial alarm was raised by an April 2018 story alleging that China and Vanuatu had held preliminary discussions regarding the establishment of a permanent PLA naval [presence](#) on the island nation, either in the form an initial access agreement permitting PLA vessels to refuel and resupply in Vanuatu, or even a purpose-built facility further down the track. Many pointed to the fact that Beijing had already provided development assistance for a new wharf on the northern island of Espiritu Santo, located close to a major international airport which China had also pledged to develop. The Australian government was quick to [protest](#), and authorities in [China](#) and [Vanuatu](#) were just as quick to deny the reports, but the story nevertheless sparked significant anxiety within Alliance policy circles. Rory Medcalf distilled the Alliance's core anxieties when he [stated](#) that such a base would "give China a foothold for operations to coerce Australia, outflank the US... and collect intelligence in a regional security crisis."

Vanuatu, however, was not a one-off. Additional [reports](#) indicated that China could be in line to co-develop four major port facilities in Papua New Guinea (PNG), including at the site of Lombrum Naval Base on Manus Island. These anxieties likely informed the Alliance's decision, [announced](#) by US Vice President Mike Pence at the APEC 2018 Summit in Port Moresby, to partner with PNG in the redevelopment of Lombrum as a dedicated naval facility. In that same month, further reports spotlighted Chinese interest in assisting Samoa in developing a new port facility at [Savai'i](#) and, it later emerged, a second port site on [Upolu](#)—both locations are adjacent to potential major airstrips. More recently, in October 2019 provincial authorities on Tulagi in the Solomon Islands [signed](#) an agreement to lease the entire island to Chinese state-owned company SAM Group, before the Solomons' central government deemed the deal unlawful. Given the island's historical significance as a Japanese deep-water naval base during World War II, Australian and US [officials](#) were concerned that commercial facilities on the island could be converted to reprise such a role

for Chinese forces. Before news of the deal's cancellation had broken, some Australian analysts had speculated that a planned construction airfield there could eventually be outfitted to [support](#) Chinese J-10 fighter aircraft.

Thinking Through Options for Deterrence in the PIR

Though China has yet to secure strategic access in the PIR, its efforts still leave much for the Alliance to consider. The Allies' responses thus far suggest that they are willing to expand their own regional strategic footprint in response, albeit in a rather reactive manner. Before launching into a larger coordinated response, however, policymakers in Canberra and Washington will need to develop a common understanding of the exact threat that a Chinese military presence would pose, whether or not these designs can be deterred in the first place, or if not, how best to deter, mitigate or eliminate the security challenges that a local PLA base could pose.

As a first step, the Allies should consider the range of Chinese actions that they seek to deter. Both partners obviously share an interest in preventing China from securing strategic access in the PIR. What is unclear, however, is whether that means a) the establishment of these facilities, and whether they are dedicated or dual-use facilities; b) the further development of existing commercial infrastructure to accommodate military assets; or c) the PLA's actual use of these facilities in ways that undermine Alliance security interests, that would constitute the crossing of a 'red line' for the Allies. Despite a few close calls, none of these circumstances have yet materialized, but policymakers cannot wait until after the fact to reach a consensus on where Alliance red lines lie in the Pacific. In other words, the Alliance needs to establish a shared threshold for [regional deterrence](#), beyond which Chinese activities would provoke a collective response.

One possibility is that the Alliance could seek to 'beat Beijing to the punch' by securing access to strategic real estate ahead of Chinese companies.

In doing so the Alliance would be attempting to deter by denial, signaling a preparedness to outspend and out-politic China in the Pacific. Elements of such an approach are already apparent, for example, the Allies moved quickly to [preempt](#) Chinese interest in Lombrum Naval Base, the first stage of which was officially [opened](#) in August last year. Most recently, reports suggested that the Allies will seek to establish a deep-water [port](#) of their own in the Solomon Islands on the island of Malaita, only weeks after the China-Tulagi agreement was voided. Local authorities there, allegedly unhappy with the central government's decision to abandon [Taiwan](#), have also invited Australian and US forces to patrol the area. It is unclear whether this latter proposal will proceed given that Honiara has already overruled another recent agreement between local authorities and foreign powers. Regardless, the Allies will not always be as fortunate as they were with the 11th hour cancellation of the Tulagi agreement—the sheer scale of regional demand for infrastructure and the difficulty of competing with China's largesse means that the risks of similar agreements being reached in the future cannot be ruled out. In the long-term, Australia and America—even in partnership with likeminded [states](#)—will struggle to sustain the financial and even political [capital](#) to preempt suspected Chinese strategic designs at every turn. Competing with [Beijing](#) on the basis of dollar figures alone does not advantage either Canberra or Washington going forward, meaning that one could effectively presume that China could not be deterred from seeking strategic access in the PIR in this manner.

A second option could be to confront or even punish China for establishing or even attempting establish an operating location, an idea which was the subject of some limited discussion at the second Australia-US Deterrence Dialogue. Following this concept, the Allies could consider blockading or sabotaging Chinese dual-use or dedicated military facilities in the PIR, whether in their completed forms or in their construction phase. China's creation of 'facts on the ground' in the South China Sea (SCS) has already demonstrated the perils of allowing such projects

to go ahead—in fact, some US voices have claimed that China is in fact applying the *Go*-like [tactics](#) mastered in the SCS to the PIR. As such, [analysis](#) suggesting that the conventional wisdom regarding China’s SCS bases—that they could be easily and efficiently neutralized in the event of conflict—is dangerously wrong could carry lessons for the Alliance in the PIR. China’s SCS facilities would in fact be “prohibitively costly” for the US and/or its Allies to neutralize in the early stages of a conflict, given that it is nearly impossible to “imagine a scenario in which the United States would be seriously considering kinetic strikes on Chinese bases in the South China Sea that would not also involve fighting in Northeast Asia.” In other words, a second-order consideration could attract outsized investments of military resources at the most pressing of moments, a situation which could be equally possible in the PIR. By providing control over strategically important waterways between Australian and US Pacific forces, Chinese Pacific bases could create additional headaches for the Alliance in wartime planning and practice, drawing resources away from more decisive theatres in north Asia.

Compared with the SCS, China’s deterrence calculations would be considerably different in the PIR. Its core interests reside squarely in and around the Chinese mainland, and would not necessarily be engaged by a distant conflict in the South Pacific should it remain locally confined. Sheer distance would also deny the PLA the same logistical advantages that it enjoys in the SCS, potentially reducing the mid-term efficacy of forces stationed there in a conflict. These factors suggest that the Alliance could minimize the risk of Chinese retaliation or escalation if it took only limited action against putative PLA facilities in the Pacific. Even so, it is questionable whether Australia or the US would be so overtly confrontational as to blockade or strike Chinese facilities in the Pacific. Blockading or striking military facilities built upon artificial islets is one thing. Doing the same to potentially commercial targets located within a third party’s sovereign territory is another matter entirely. In fact, were Beijing [invited](#) to establish a military presence by

a Pacific nation’s central government, the long-term political costs of these sorts of action could be unpalatable.

Alternatively, rather than trying to deny China a permanent military presence in the PIR at great political and economic expense, it could “prove cheaper to build military capabilities that... could [neutralize](#) Chinese bases” through denial operations or, if necessary, kinetic strikes—classic deterrence by denial. Pursuing such a denial strategy would not necessarily preclude Chinese military outposts in the PIR, but would nevertheless allow both Alliance partners to preserve economic and political capital, avoid near-term actions that could see Pacific nations become collateral damage, and address wider-ranging strategic needs. For example, though much recent discussion regarding the US withdrawal from the INF Treaty has dealt with the utility of these capabilities in Asia, they would provide equal leverage over hypothetical Chinese facilities in the Pacific Islands. In fact, for Australia these capabilities make more sense in a Pacific context given the substantial distance between potential basing locations in the Northern Territory and likely targets in the South China Sea and beyond.

The US has already begun developing and testing new ground-based INF-range [cruise](#) and [ballistic](#) missiles for future deployments in Asia, but these plans are complicated by the limited number and great distance of US [territories](#) from likely targets, and the reluctance of regional [partners](#) (bar perhaps [Japan](#)) to host these capabilities at the risk of China’s wrath. Instead, Australia could be given the lead in developing a domestic land-based strike capability with practical technical [support](#) from the US. Such an initiative would be a positive step towards more equitable burden-sharing [arrangements](#), and assist Washington’s efforts to address the significant fiscal, maintenance and political [challenges](#) associated with resourcing the Indo-Pacific Strategy. Long-range strike would also address operational requirements in other parts of Australia’s near-abroad, while jointly developing an operational doctrine for their deployment and use would also contribute to a tightening of Alliance strategic

planning in the PIR. Relatedly, the PIR should more prominently feature in Alliance [consultations](#) over the division of labor in a range of possible contingencies across the Indo-Pacific. Even with these capabilities, Australia could not, beyond unreasonable doubt, deter or defeat Chinese aggression alone, and would still depend on US military support in the majority of imaginable scenarios where China is the chief adversary. Nevertheless, Washington will continue to expect Canberra to play a leading role in local joint operations, particularly if the Allies agree that the majority of possible contingencies in the PIR would be peripheral to more resource-demanding conflicts elsewhere. As such, developing a clearer sense of each partner's expectations of the other in any given PIR contingency, and planning operational responses accordingly, should be a top priority.

Conclusion

In closing, this analysis barely addressed the [agency](#) of Pacific Island nations themselves, though not for lack of interest or importance. Rather, Australia and the US would be well-advised to approach the strategic challenge in the PIR by building [trust](#) rather than leaving these nations out of strategic planning altogether. After all, PIR states do not necessarily [share](#) the Alliance's perceptions of China, and there is little evidence that Australia or the US are taking the region's own security priority—climate change—seriously enough to foster the deep strategic partnerships required to build a regional order favorable to their interests. Nor is this analysis to suggest that military investments alone can solve the strategic challenges at hand, only that these considerations have remained largely peripheral until recently. Finally, this paper is far from exhaustive, and many of the ideas presented here are admittedly incomplete and worthy of further exploration. Hopefully, future US-Australia Deterrence Dialogues can unpack the complexities of strategic competition in the PIR in much more detail.

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