



MARCH 2023

INDIAN OCEAN INITIATIVE

Understanding the Indo-Pacific: The Island Way

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In the last decade, governments around the world have determined that the next major geopolitical shift will emerge and be decided in the Indo-Pacific. The United States, China, India, and others have crafted maritime strategies toward the Indian and Pacific Oceans. Developments in and around the island nations in these oceans—from Sri Lanka to the Solomon Islands—are therefore important to great power competition in the twenty-first century. But these island nations are often ignored. They are not at the forefront of shaping the Indo-Pacific agenda, despite it being very much about and influenced by them.

In an effort to better study the perspectives and ideas of leaders and policymakers from island nations, the Carnegie Endowment for International Peace and the Sasakawa Peace Foundation, Tokyo hosted “Ocean Nations: The 2nd Annual Indo-Pacific Islands Dialogue” in September 2022.¹ This article is based on the conversations, discussions, and themes that emerged from the event.

Island Agency

The second Islands Dialogue took place before the historic U.S.-Pacific Islands summit hosted by the White House in September 2022. As a Pacific power, the United States has great stakes and interests in the Pacific Ocean. However, this was Washington’s first initiative to host leaders of Pacific Island nations at the summit level. The engagement was understood to be accelerated by an agreement inked between China and the Solomon Islands earlier that year. Such developments contributed to discussions at the Islands Dialogue about how islands are often viewed through the lenses of great power competition and strategic rivalry.

A key message to emerge from the Islands Dialogue was about island nations’ agency. Abdulla Shahid, the president of the seventy-sixth UN General Assembly session and the foreign affairs minister of Maldives, delivered a powerful speech detailing this very concept.² He noted that although island nations are vulnerable, “I don’t believe that we are powerless.”



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**—Abdulla Shahid,
foreign minister of Maldives**

Many non-island policymakers believe that island nations are overwhelmingly influenced by their development partners’ choices regardless of their own interests and priorities. As geopolitical rivalry in the Indo-Pacific intensifies, island nations continue to underline their agency in choosing partners, agreements, and investments. Suggestions that they might compromise their sovereignty in exchange for infrastructure development or security partnerships, as seen in Sri Lanka and the Solomon Islands, is a simplified view of regional developments. Small island nations are often considered to be pawns in the larger geopolitical debate. For example, Washington and Beijing seek to provide development aid as an alternative to each other in the region. There are concerns about Chinese debt traps and corruption, suggesting that island nations are “victims” of great power influence and predatory lending.³⁴

However, during the Islands Dialogue, speakers were clear that island nations are not easily influenced and that they are fully aware of every collaboration and agreement they enter. Speakers urged bigger powers to understand island nations’ agency and recognize that every decision they make is a deliberate choice in line with the needs of the country and region. According to Satyendra Prasad, the then ambassador of Fiji to the United Nations and the United States, the only regional frameworks that matter are “frameworks that the Blue

Pacific shapes, agrees to, and proposes,” emphasizing islands’ autonomy in regional decisionmaking, strategy, and agenda-setting.⁵

Geopolitics

Island nations often feel left out of geopolitical discussions regarding the Indo-Pacific, particularly about initiatives involving them or in areas close to their sovereign waters. The concept of the Indo-Pacific itself, which is centered around the Indian and Pacific Oceans, did not initially include conversations with the islands on either side of the oceans. Speakers at the Islands Dialogue noted the trend of bigger powers first announcing policies and later informing island nations of the policies. They urged these powers against viewing island nations as steppingstones or appointing themselves as custodians that announce regional initiatives without consulting island leaders. Islands’ development partners must do a better job at consulting island nations and framing policies aimed at boosting cooperation. Bigger powers should consult and work with island nations at the center of relevant initiatives and issues, such as the debt crisis.

At the multilateral level, island nations’ priorities differ from those of bigger nations and their littoral neighbors. Because island nations are “big ocean states,” a reference to their massive maritime zones, they underpin the utility of multilateral institutions and are committed to upholding the norms and processes of the established multilateral system, particularly under the United Nations. Yet, island nations often express frustration in multilateral institutions’ inability to deliver on their priorities and interests. Tongan Prime Minister Siaosi Sovaleni noted that “ever since we signed the Paris Agreement [on climate change], there seems to be ongoing discussions, but we are not getting better access to climate funds and resources to address the issues we are facing.”³⁶ Island initiatives at multilateral institutions within the UN umbrella are different from the initiatives championed by bigger nations. For

example, Vanuatu is seeking an advisory opinion at the International Court of Justice (ICJ) on climate change, an issue that has never been brought to the ICJ. The case, cosponsored by seventeen other nations, argues that international law contains obligations to prevent harm to the environment and protect human rights, and it asks the ICJ to provide clarity on how international law can be applied to drive increased climate action.⁷ The case underlines the difference between issues that usually appear before the ICJ, such as sovereignty challenges and terrorism, and the ones that islands raise.

In addition, island nations experience global crises differently, primarily due their vulnerability. Gustav Aitaro, Palau's foreign minister, explained, "War in Ukraine has increased the cost of food and fuel for our countries, not just in maritime security, but in maritime transport and shipping."⁸ These increased costs are a significant threat to the island nations' populations and economies due to the vast distance between the nations and the rest of the world. Aitaro also expressed worries that increasing tension over Taiwan makes Pacific Islands vulnerable to military threats. "In the event that war breaks out in Taiwan, all shipping will be routed through Palau first," he said. "This makes Palau important but vulnerable. This is another challenge for balancing: do you want to be important or vulnerable?"

Climate Change

Island nations continue to recognize climate change as their biggest national security challenge. Odo Tevi, Vanuatu's UN representative, emphasized that "climate change affects our development, our prospects for the future economy, and it also poses a threat to our sovereignty."⁹ The inability of developed, non-island nations to recognize climate change as a national security threat creates a disconnect between developments in the region and external perceptions of these developments. Whereas the United States and its Indo-Pacific partners frame regional development in terms of geopolitical competition with China, island states often understand

Chinese aid as a way to better address their climate concerns. Prasad added, "Great power competition means less than little to anyone whose community is slipping beneath the rising sea. The greatest threat we face isn't geopolitics, it's climate change."

Climate change also threatens islands' economic security. According to Sovaleni, "The 2022 Hunga Tonga-Hunga Ha'apai volcanic eruption and tsunami destroyed over one-third of Tonga's GDP." Similarly, Cyclone Pam in 2015 wiped out 64 percent of the value of Vanuatu's GDP. In Fiji, an extreme weather event in 2016 destroyed or damaged at least 240 schools.¹⁰ The economic impacts of climate change and extreme weather create a demand for climate-resilient and environmentally conscious infrastructure. While major powers compete to provide infrastructure financing to island nations, they often overlook the climate-centric nuance of this infrastructure demand.

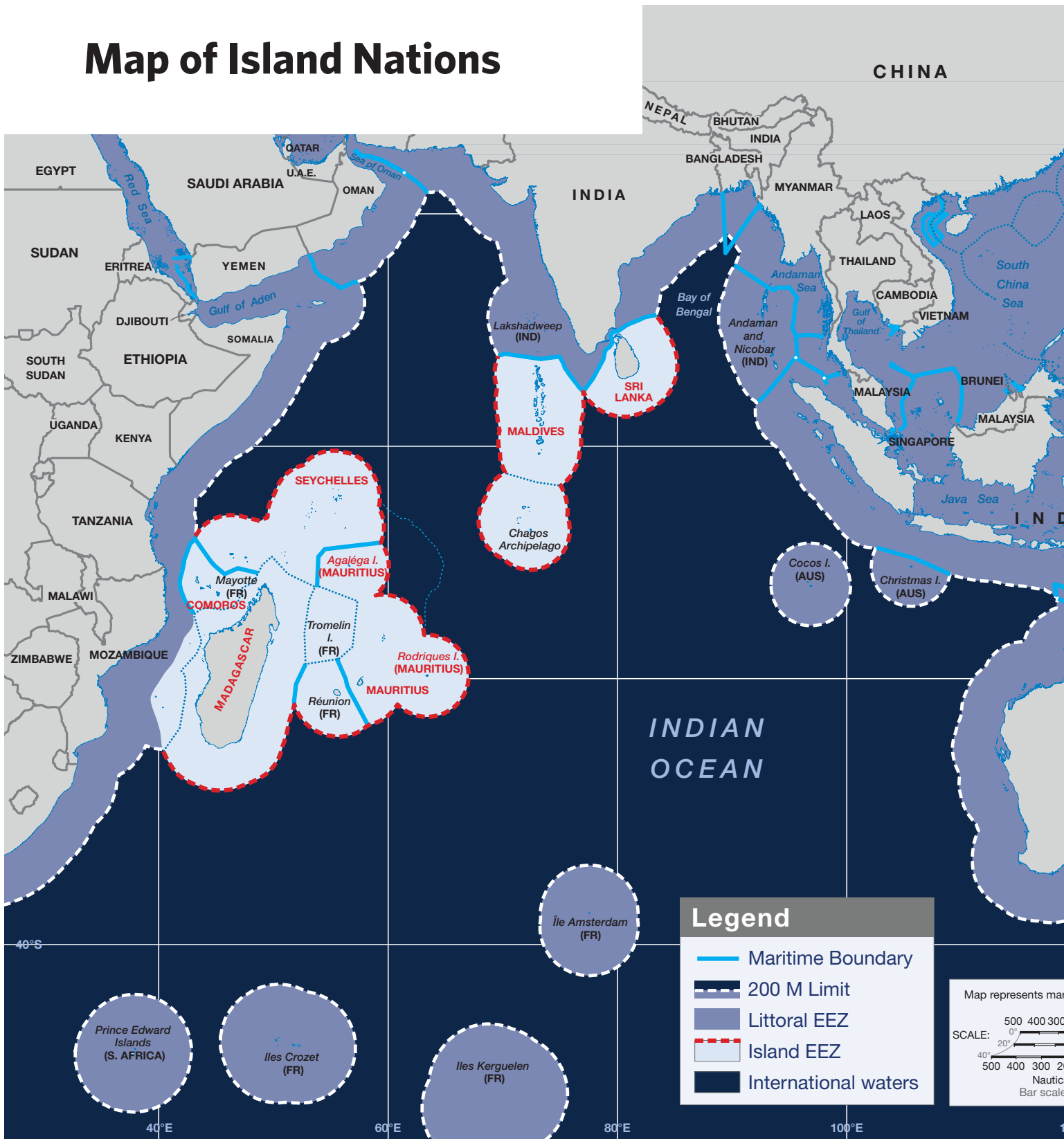
Accessibility to Finance

Island nations face unique and significant challenges to accessing climate and development finance. Island states often cannot access private market finance because they do not have economies of scale and require large investments for development. Bilateral

"This is another challenge for balancing: do you want to be important or vulnerable?"

**—Gustav Aitaro,
foreign minister of Palau**

Map of Island Nations



Legend

- Maritime Boundary
- - - 200 M Limit
- Littoral EEZ
- · - · Island EEZ
- International waters

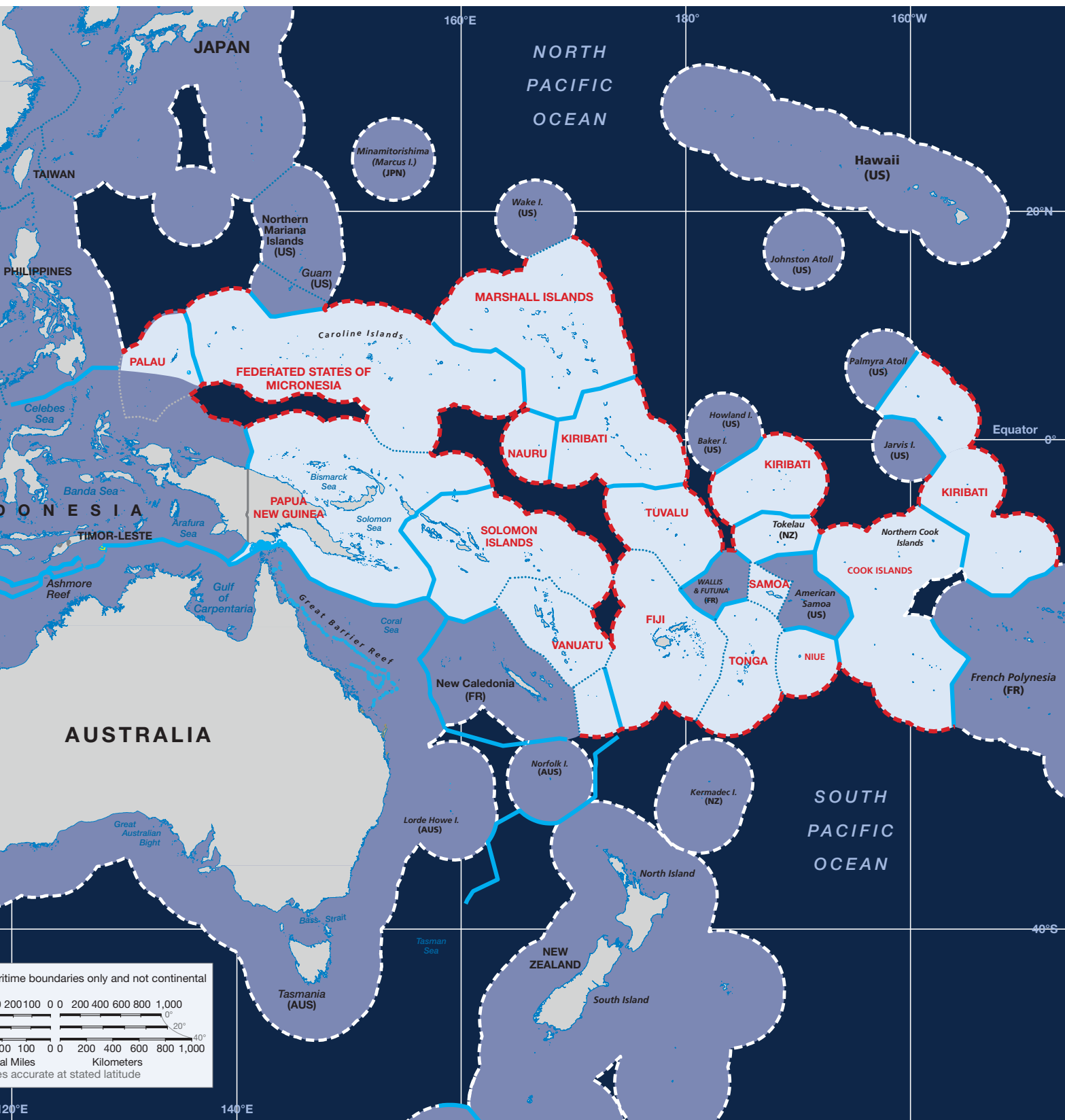
Map represents map

SCALE: 500 400 300 200 100 Nautical Miles

40° 0° 20°

500 400 300 200 100 Nautical Miles

Bar scale





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**—Satyendra Prasad,
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and multilateral financing often underdelivers climate adaptation assistance.¹¹ In general, small states lack the administrative capacity to compete against countries such as China and India for access to multilateral development finance. This lack of administrative capacity is exacerbated by the long timelines set by multilateral funders. According to Angelique Pouponneau, policy adviser for the Alliance of Small Island States, “It takes forty-five months for an entity to be accredited to access climate funds. Then, on average, it takes twelve to twenty-four months to have a project approved. You can imagine, as islands are being ravaged with soil erosion, coastal erosion, etc., countries then must wait twelve to twenty-four additional months to get access to finance.”¹² Only 2 percent of bilateral funding committed to small island developing states (SIDS), about \$76 million, is delivered. Pouponneau added that of this 2 percent, “only a fraction of that goes to adaptation.” For multilateral funding, she said that only 8 percent goes to SIDS.

SIDS often cannot qualify for development assistance because, as their economies grow, they gain high- or middle-income status. According to the World Bank, Fiji, Maldives, the Marshall Islands, Mauritius, Nauru, Palau, the Seychelles, and Tuvalu are all upper-middle-income or high-income countries.¹³ In terms of gross national income per capita, these islands rank among or above states such as Brazil, China, Mexico, and Russia that share upper-middle-income status. As

such, measures of high- or middle-income status do not capture the vulnerability or economic constraints of small island nations. During the Islands Dialogue, several leaders and speakers proposed a regional fund to address climate issues in the Pacific.¹⁴ Prasad described this kind of funding: “On the multilateral side, we should have a . . . procedure to fast-forward rapid assessment and rapid deployment of funds that are most SIDS-specific.”

Maritime Security

Island states prioritize resources to surveil, police, and protect biodiversity in their vast waters. The Pacific Islands encompass 28 percent of all global exclusive economic zones (EEZs).¹⁵ On average, a Pacific Island country has fifty-five times more water than land mass. If Papua New Guinea is excluded, then this rises to 310 times.¹⁶

Shahid noted that “big ocean states” are custodians of larger spaces of the maritime domain. The sustainable access to these waters is directly linked to islands’ economies, growth, development, and survival. In Kiribati, for example, about 80 percent of the population is engaged in fishing to sustain their livelihoods.¹⁷ According to Prasad, “The loss of tuna to illegal fisheries is almost equal to the total grant assistance to the Pacific Islands.” Illegal fishing, drug trafficking, and maritime crimes are some of the most pressing challenges that face island nations.

Although island nations seek increased surveillance equipment to combat illegal fishing and crime, they worry that they could become hosts for the surveillance equipment of strategic rivals. Prasad cautioned that “no Pacific states want to be part of the power projection of another.” Island nations welcome collaboration from all partners in increasing maritime security and capacity building, as long as it occurs in collaboration with the island nations themselves.

Conclusion

The geography of island nations across the Indian and Pacific Oceans place them at the strategic crossroads of great power competition. As nations across the region continue to discuss, frame, and implement their Indo-Pacific visions, there must be a conscious effort to understand and consider island nations' priorities and choices. As leaders, experts, and scholars at the Islands Dialogue emphasized, other nations must acknowledge islands' agency in competition and regional rivalry. Repeating Shahid, island nations are vulnerable, *not powerless*, and their right in exercising their agency will continue to impact geopolitical competition among bigger nations.

Island nations also have unique perspectives on issues such as climate change, climate finance, maritime security, and multilateral institutions. Other nations should make an effort to understand their perspectives. Without acknowledging island nations' views, bigger nations might tangle themselves in ineffective, reactionary policies as they seek to address their own strategies in the Indo-Pacific.

About the Authors

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Notes

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