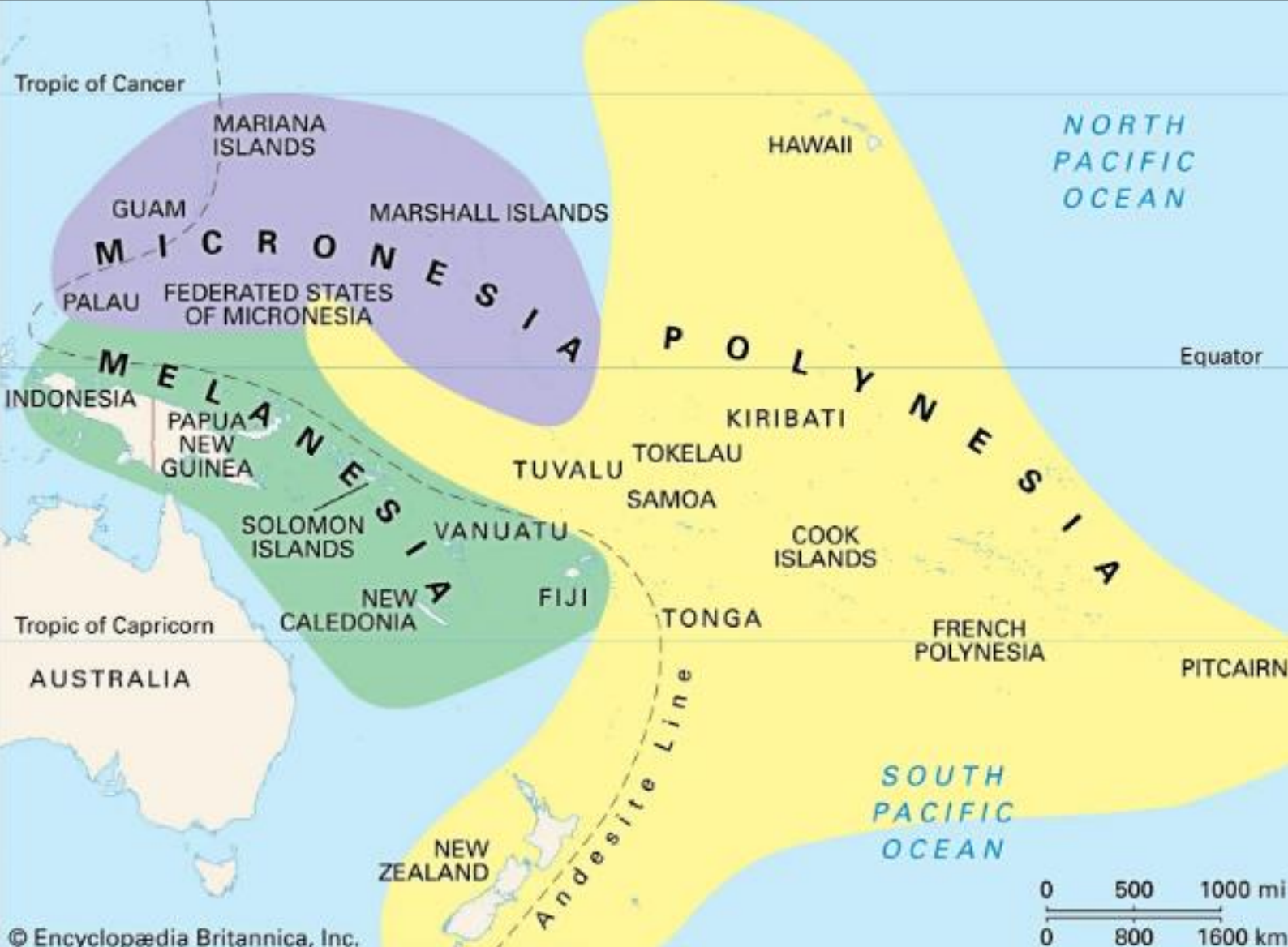




The Pacific Conundrum

Few people outside the fields of navigation, shipping, and geography truly grasp the vastness of the Pacific Ocean. A quick glance at a globe, however, provides some perspective: most of the world's landmasses are concentrated on one side, while the Pacific dominates the other. Covering approximately 30% of the Earth's surface, the Pacific Ocean is larger than all the landmasses combined. In comparison, land accounts for only 29.2% of the Earth's surface, meaning the Pacific could theoretically engulf all the continents with room to spare.

Despite its immense size, the Pacific is dotted with around 25,000 islands, the majority of which are located to the northeast of Australia. These islands, some of which are independent nation-states, fall into three main cultural groups: Polynesia, Micronesia, and Melanesia. Many of these islands are extremely small, with some remaining uninhabited. In fact, 67% of them have an area of less than ten square kilometres, and 44% are smaller than one square kilometre.

Given their small size, do these island nations hold any geostrategic significance?

The answer depends on which countries have vested interests in the vast expanse of the Pacific Ocean. Naturally, major powers with strong naval capabilities are keenly interested. Both China and the United States have significant geostrategic stakes in courting these island nations, as do France and the United Kingdom. More recently, India has

also turned its attention to the region. One key reason for this interest is that these islands serve as strategic footholds, providing critical refuelling and resupply stations for ships and aircraft operating across the ocean.

A historical example is Midway Atoll, a vital U.S. possession during World War II that served as a crucial military outpost against Japan.

Despite their strategic significance, the economies of the independent Pacific island nations remain fragile. Their small size and geographical remoteness hinder economic development, making them heavily reliant on tourism and fishing—industries that are particularly vulnerable to external shocks. As a result, most of these nations depend significantly on foreign aid for their survival, which has become a focal point of geopolitical competition.

A 2023 report by the Lowy Institute highlights the role of foreign aid in the region. Between 2008 and 2021, a total of \$40 billion in aid was provided to Pacific nations, with Australia emerging as the largest donor, contributing nearly \$17 billion—roughly 43% of the total. China followed with \$3.9 billion in aid. ***Interestingly, the United States was once a major donor, particularly in the 1990s, but its contributions declined significantly after 2010, allowing China to expand its influence.*** This shift has fuelled geopolitical rivalry, as seen in the Solomon Islands' recent preference for Chinese aid over U.S. assistance. As a result, loyalties among Pacific nations are increasingly divided between the U.S. and China, with both superpowers vying for strategic advantage.

The importance of these islands in any future U.S.-China conflict cannot be overstated, as their infrastructure could play a pivotal role in military operations.

While Australia is a close U.S. ally, and its aid contributions can be seen as aligned with American interests, the U.S.'s decision to cede its dominant aid role in the Pacific is widely viewed as a geopolitical misstep. This situation has exacerbated in the early months of Donald Trump's presidency when all U.S. foreign aid has been temporarily frozen. Although aid is expected to resume under Trump's Indo-Pacific strategy, the damage has already been done, and it may take time for the U.S. to regain its position as a leading donor in the region.

Another dimension of the aid dynamic involves voting patterns in the United Nations General Assembly. Pacific island nations have increasingly been found to align their votes—or abstentions—on critical resolutions, such as those concerning the Russian invasion of Ukraine or the Israeli-Palestinian conflict, based on financial incentives and diplomatic deals brokered by wealthier, more powerful nations.

Beyond geopolitics, the Pacific islands face an existential threat from climate change. According to an August 2024 press release by the World Meteorological Organization, the region is experiencing a "triple whammy" of accelerating sea-level rise, ocean warming, and acidification. These factors not only threaten the socioeconomic viability of the Pacific islands but also endanger their very existence.

The urgency of climate change has underscored the need for increased aid to these vulnerable nations. However, as previously mentioned, aid often comes entangled in geopolitical manoeuvring among global powers, complicating efforts to address the region's most pressing challenges.