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The Obama Administration's Deepening Engagement Throughout Oceania

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Gerard A. Finin, Senior Fellow and Deputy Director of the Pacific Islands Development Program at the East-West Center, explains that “for both strategic and economic reasons, the entire Pacific Islands region remains highly important to the United States.”

Secretary of State Hillary Clinton's scheduled visit to Papua New Guinea in January is indicative of the Obama administration's desire to significantly enhance U.S. engagement throughout Oceania. Despite postponement of her trip following the earthquake in Haiti, inclusion of the Pacific Islands region on the Secretary's itinerary was intended to signal a renewed commitment to an area that spans one-third of the globe. Twenty-two island governments, with political statuses including nation-states, territories, and colonies, constitute what some have termed the “aquatic continent.” Furthermore, twelve island countries are members of the United Nations and are among America's most reliable allies in the General Assembly. To the extent that the United States plays a preeminent role in the North Pacific, influence is more broadly shared in the southern hemisphere with Australia, New Zealand, France, Japan, China, and Taiwan. Nevertheless, for both strategic and economic reasons, the entire Pacific Islands region remains highly important to the United States.

U.S. economic interests date back to the 1800s, when “Yankee” whalers plied the earth's largest ocean in search of oil lamp fuel. Some two hundred years later, energy supplies remain a critical dimension of U.S. interests in the region. Other nations, including China and Japan, are also actively seeking to exploit land-based and seabed natural resources throughout the region. Exxon Mobil is currently embarking on the largest investment ever by a U.S. company in the Pacific Islands. The Papua New Guinea (PNG) Liquefied Natural Gas (LNG) project is being developed to meet anticipated increases in global demand for cleaner burning fuel. Plans call for the construction of a 440-mile gas pipeline and conditioning plant near Port Moresby, the nation's capital, allowing for the export of 6.3 million tons of LNG fuel per year.

Over its thirty-year lifecycle, the Exxon Mobil project will employ 7,000 workers and cost more than \$15 billion. Total direct cash flows of more than \$30 billion will be transferred to the PNG government and local landowners. The project is expected to drastically transform the PNG economy, potentially doubling the country's gross domestic product. While the investment is a vote of confidence by the private sector in PNG, there are serious concerns about potential problems associated with such a massive undertaking. One critical question centers on whether the PNG government has the institutional capacity to manage such an endeavor.

Other analysts are asking if “landowners” will continue to be supportive of the project over time, especially when there are already considerable disputes about land ownership, land use rights, and revenue sharing arrangements. Current high rates of unemployment among PNG youth have led others to question how the arrival of thousands of Australian and Asian workers will be received. Despite plans for the establishment of multibillion-dollar public trust funds to create long-term wealth, it is



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far from certain how the overnight expansion of the economy will influence the cultures and social fabric of PNG's largely traditional village-based social structure. Prospects of deleterious consequences from natural resource economic windfalls are already well known. During the 1990s, PNG fought a civil war on the now-autonomous island of Bougainville over control of land and revenues from that island's copper mines, one of the world's largest known reserves.

Throughout Oceania, most Pacific Island nations embrace vibrant democratic processes. However, Fiji, an important regional center in the South Pacific, has been under military rule since 2006. The imposition of sanctions has thus far failed to alter the situation, and elections have been delayed until at least 2014. In contrast to Australia and New Zealand, whose chief diplomats have been expelled, the United States has taken a less doctrinaire position, maintaining dialogue with the junta's leadership. Unfortunately, the regime's recalcitrance has created fissures among the normally cohesive Pacific Island governments, undermining prospects for increased regional cooperation. At the same time, other Pacific nations are working to strengthen democratic processes and governance capacities. A regional assistance mission led by Australia is working in the Solomon Islands to rebuild public institutions. Tonga, the last remaining constitutional monarchy, is preparing this year for important constitutional changes and expanded electoral prerogatives.

A myriad of Pacific regional institutions, to which the U.S. contributes or collaborates, complements the work of national governments within Oceania, addressing a wide range of environmental, security, trade, and educational issues. Recent initiatives intended to promote increased U.S. engagement include a return of USAID and the Fulbright Scholarship program, along with the establishment of new U.S. embassy positions to promote environmental sustainability and advance public diplomacy across the region.

From a military perspective, the Republic of the Marshall Islands' Kwajalein Atoll continues to serve as an important element of the U.S. Army's testing range for space and missile defense. However, it is the neighboring unincorporated U.S. territory of Guam that is about to experience profound and rapid social and economic change, as some 8,000 U.S. Marines and 9,000 dependents move from the Japanese island of Okinawa to Guam. Recently, several Japanese parliamentarians have suggested the nearby U.S. Commonwealth of the Northern Mariana Islands (CNMI) might serve as an alternative to the contested Futenma base. Indeed, during this century, Hawaii, Guam, and CNMI are likely to have an even more critical role for U.S. military power projections throughout the Asia Pacific region.

Following the conclusion of the Cold War, U.S. engagement in the Pacific quickly diminished. Many Pacific governments began to view the United States as a fair-weather friend. The Obama administration's approach, albeit gradual and modest in scope, signals a new era that most Pacific islanders trust will be an enduring commitment to engagement that is characterized by mutual respect and robust cooperation. Furthermore, Pacific governments anticipate a rescheduling of Secretary Clinton's visit to Papua New Guinea. They also undoubtedly hope to dialogue directly with the first U.S. president to be born and raised on a Pacific island. The 2011 APEC leaders' meeting in President Barack Obama's hometown of Honolulu may offer such an opportunity.