The “Domino Effect” in Oceania and Competition among World Powers

Even after gaining independence, the countries in Oceania are facing pressure from more powerful regional players that want to keep them in their spheres of influence, and secure strategically important positions in the Pacific Ocean for themselves. At the same time, the expression of national volition is becoming common in the South Pacific, and is leading to fragmentation across the region, which could end up being a win-win situation for some major powers but a losing one for others.

Just recently New Caledonia, a French overseas territory where the second referendum on independence has already taken place, managed to attract the attention of the world community.

During the first referendum in November 2018, 57% of New Caledonians expressed the desire to remain part of France, while 43% of voters opposed it. It would seem that the subsequent victory in elections to the local congress for those who support keeping the French authorities should have consolidated the results following the first referendum, but in reality everything turned out quite differently.

During the referendum on independence in October 2020, more than half the voters (53.26%) still supported the idea of staying part of France, but along with that those who support independence garnered 46.74% of the vote, which is 3% more than during the previous referendum. This attests to the increasing degree of polarization in New Caledonian society, where indigenous people - the Kanaks, who have been actively advocating independence since the 1980s - comprise 25% of the population, while 40% are emigrants from France and descendants of French settlers, who do not want to lose the patronage of their historical homeland. Furthermore, voter turnout in 2020 was 86%, which is still the maximum number since referendums have started being held in New Caledonia.

Now the French territory in the South Pacific still has to hold the third referendum, as stipulated in the Nouméa Accord signed between those who support independence - the Kanaks - and the French government in 1998. However, whatever the outcome of the vote, and even if there is another defeat for those who support independence, this strong polarization across society will most likely spark the search for a new compromise on New Caledonia’s future status.

Meanwhile, France is adhering to a policy of neutrality regarding the future status of New Caledonia: French President Emmanuel Macron is treading cautiously when he speaks about independence for the overseas territory, but also actively speaks out about the role of France in the Indo-Pacific. Yet at this time New Caledonia remains an autonomy that depends upon France economically and for its defense, albeit a free one.

Given the fact that France actively supports the conceptual foundation of the Indo-Pacific, and is establishing contacts with India and Australia, the loss of New Caledonia could attenuate the position of this European power in Oceania, and call into question its future role in the region, where a rivalry between the world’s major world powers is mushrooming.

As far as the economic and political sides of this issue are concerned, if New Caledonia gains independence, then France will lose one of the world’s largest nickel deposits, a 200-mile exclusive economic zone through Oceanian territory, and most likely its naval base. Moreover, independence for New Caledonia could set an example for other French possessions in Oceania, especially for French Polynesia, which, generally speaking, copies the steps taken by New Caledonia in terms of its relations with France.
It is likely that New Caledonia could have been influenced by the precedent set by the Autonomous Region of Bougainville, which is part of the largest island state in Oceania, Papua New Guinea (PNG). In December 2019, Bougainville also held a referendum on independence, in which the majority of residents (97.7%) voted to secede from PNG. The referendum in the Papua New Guinean autonomous region gave rise to a lot of speculation, including about the influence China has had on Bougainville and the emergence of a new nation on the world map. It should be noted that the Bougainvillean referendum is non-binding rather than mandatory, and the PNG parliament will decide whether or not to ratify it, presumably at the end of 2020.

Concerns about various spheres of influence in Oceania cannot help but affect the United States, which closely kept tabs on the elections held in the Marshall Islands in November 2019. This Micronesian state continues to diplomatically recognize Taiwan, not the PRC. Furthermore, the Marshall Islands are in a compact of free association with the United States, which allows the citizens in this Oceanian republic to live and work on the “mainland” in exchange for giving Washington’s military exclusive access to its strategically important territorial waters. The US also has a testing and staging ground on Kwajalein Atoll run by the US Army.

But things have not been going so smoothly in recent years. For example, in the 2019 elections President of the Marshall Islands Hilda Heine, who actively supported both the pro-Taiwanese and pro-American policy thrust, was defeated. Quite a few experts conjectured that the new president of the Marshall Islands, David Kabua - who is the son of the first president of the island state - could reorient the country toward the PRC, but that never happened. No matter how you look at it, statements are still being made in the Marshall Islands about the need to cooperate with the PRC, and not with Taiwan. For example, in 2018, James Matayoshi, the mayor of Rongelap Atoll, called for making the atoll into another Hong Kong - a special administrative division - and doing that with help from Chinese investments.

Currently, 10 out of the 14 states in Oceania diplomatically recognize the PRC, while the rest (the Marshall Islands, Nauru, Palau, and Tuvalu) maintain relations with Taiwan. It is likely that major players in the Pacific will continue to try to leverage economic incentives to win over Oceanian states.

In the era of the so-called “coronacrisis”, when many countries in Oceania are incurring heavy losses due to a drop in tourism and decreases in the demand for raw materials, each island state is searching for more and more opportunities to earn money. There is the likelihood that if key donors are also unable to provide the scope of assistance that they need, countries in Oceania could turn to the PRC for support.

Before our very eyes, Oceania is becoming one of the regions where a rivalry is playing out among the major world powers: the United States, France, Australia, and the PRC. Furthermore, the ongoing processes of fragmentation among the island states across the South Pacific open up new opportunities for the major players involved to use their economic leverage to build relations with the small players. At the same time, the idea of independence, or expanding the scope of autonomy, is a phenomenon that is rather contagious - and one that we will hear about again repeatedly.

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