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This Week in Asia / Politics

## Can China fill US-sized void in Pacific after Trump's foreign aid freeze?

China could boost involvement through economic and climate adaptation projects to help Pacific nations meet development needs, analysts say

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An aerial view of Bikar Atoll in the Marshall Islands, the central Pacific. Photo: National Geographic Pristine Seas / AFP

China is expected to fill the void that's been left behind by US President <u>Donald Trump</u>'s halt on foreign aid in the Pacific region, with Beijing set to grow its influence in economic and climate adaptation projects in particular.

Trump signed an executive order on his first day in office putting <u>a 90-day pause</u> on funding from the US Agency for International Development, or USAID, suspending more than US\$60 billion in programmes for the world's most vulnerable nations.

On Tuesday, the administration placed direct-hire employees of USAID – except those deemed essential – on leave worldwide, upending the aid agency's six-decade mission overseas.

The measures are part of a string of cuts Trump has enacted through coordination with Elon Musk's so-called Department of Government Efficiency, which argues USAID is a waste of money amid a need to align with the president's policy priorities.

Agency staff, backed by Democratic lawmakers, have protested against the cuts saying they will put lives in danger and hamper national security.



People protest against a funding freeze of federal grants and loans in Washington on January 28. Photo: AP

In the Pacific – one of the most aid-dependent regions in the world – help programmes ranging from governance to women's economic empowerment were likely to be affected, BenarNews reported, adding that several USAID partners in the region were trying to evaluate the potential impact of the freeze on their schemes.

Hideyuki Shiozawa, director of the island nations division at the Sasakawa Peace Foundation in Japan, said that given the current funding gap, China could increase its involvement in the region through economic projects and those related to climate change, including renewable energy.

"However, this is not the case when it comes to security," Shiozawa said, pointing out that there was bipartisan consensus on China in the US Congress.

If Beijing were to fill the gap and strengthen its security position in the Pacific in ways that were detrimental to the US, Washington would likely take steps to counter it, according to Shiozawa.

"China's superiority would not last long," he said, adding that Democratic administrations had typically prioritised environmental and social welfare issues in US relations with Pacific countries, while Republican governments focused mainly on security.

Describing the cut in aid as "part of a recurring pattern in Western aid albeit an especially dramatic example", Solstice Middleby, a PhD candidate in Pacific regionalism at the University of Adelaide, said that while the US "talked a big game" under former president Joe Biden, the region had long understood that "these promises rarely hold".

"Aid programmes come and go, funding gets reallocated to suit political cycles, and long-term regional priorities remain secondary to domestic agendas," said Middleby, a former Australian diplomat to the Pacific. "This will be felt acutely, but it isn't the first time, and it won't be the last."



US President Joe Biden takes part in a family photo with Pacific Islands Forum leaders at the White House in September 2023. Photo: dpa

Under Biden, the US tried to counter China's growing influence by hosting meetings of Pacific leaders, pledging more funding – particularly for projects aimed at mitigating the effects of climate change – and establishing formal diplomatic relations with the Cook Islands and Niue.

New American embassies were also opened across the region, including in the Solomon Islands and Tonga in 2023, and in Vanuatu in July last year.

In recent years, China has focused on expanding economic ties with Pacific nations, while also increasing its diplomatic and security footprint, particularly in its cooperation with Solomon Islands' law enforcement.

### 'A more predictable partner'

Unlike Western donors, China's engagement in the region did not shift with every election cycle, Middleby said, making it "a more predictable and strategic partner".

"If China continues to offer an alternative to the Western donor-driven model – one void of short-term projects, intermediaries and consultants – I believe its influence will grow, both in the region and globally," she added.

Moses Sakai, a research fellow at the PNG National Research Institute, told This Week in Asia that the US withdrawal from the climate agreement was unlikely to affect Washington's ties with Pacific island nations, but pointed out that the United States needed to understand that climate change remained the region's "top policy agenda".

According to the World Health Organization, climate change poses a significant threat to the Pacific island region as rising ocean temperatures contribute to the degradation of coral reefs, which support marine biodiversity and are essential for local livelihoods, nutrition and cultural practices.

Increasingly frequent extreme weather events such as tropical cyclones and severe flooding often bring about deaths and injuries, in addition to destroying homes, crops and infrastructure.



Rescuers are seen at the site of a collapsed building after a powerful earthquake struck Port Vila, the capital city of Vanuatu, on December 17. Photo: AFP

While countries in the region were likely to interact more with China in future, Sakai said this was mainly to meet their development needs and did not mean they were shifting from traditional partnership with the US.

"[Both] the US and China are considered Pacific island countries' key development partners," he said.

Pointing to the broader failures of foreign aid in the region and beyond, Middleby noted that aid had become increasingly "politicised, privatised and contested" over the last two decades.

"What is the point of accepting assistance if it can be pulled away so quickly?" she asked. "Why continue to engage with generally ineffective programmes siphoned through layers of intermediaries, consultants and contractors that serve donor priorities rather than long-term regional interests?"

However, Kalinga Seneviratne, author of the recently published *GeoPolitics and the Media in Asia and the Pacific: Pulling in Different Directions*, suggested that there may be a silver lining to Trump's freeze on USAID, as a substantial portion of this aid was intended for regime change efforts worldwide.

Seneviratne highlighted the agency's involvement in "manipulating young people" in an antimonarchist campaign in Thailand in 2023, and student-led protests in Bangladesh which ousted prime minister Sheikh Hasina from power last year.

"If Trump's isolationist policies result in USAID's wings being clipped, that will be a good thing for the Global South. There will be less chaos in the world," Seneviratne said, referencing a widely used term for developing countries.



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