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A new country in the Pacific — Bougainville

This small archipelago looks destined to become a symbol of a far larger tectonic shift

A historic moment for Bougainville is within reach — the Pacific archipelago is on the verge of achieving independence from Papua New Guinea. In the 2019 referendum, almost 98 per cent of the population voted in favour of secession. Two years later, the governments of both parties agreed on a timetable up to 2027 — though this still has to be ratified by Papua New Guinea's parliament.

In June, discussions took place between representatives of the two countries at Burnham Military Camp near Christchurch, New Zealand. It was a highly symbolic location. After all, this is where the 1997 peace talks took place that ultimately put an end to the bloody civil war, a conflict that cost an estimated 20 000 lives between 1988 and 1998. Then as now, the issue at stake was independence, along with efforts to resist the exploitation of its resource-rich land by international mining companies.

Bougainville's economic self-reliance could depend on what lies under the ground — in the Panguna mine. Previously operated by British-Australian mining firm Rio Tinto but dormant since 1989, this copper and gold mine was what triggered the civil war in the first place and could now open the door to self-rule. Bougainville's political leaders view the mine's reopening as the 'key to financing independence', writes Bougainville expert Anna-Karina Hermkens. The territory's autonomous government has already built its own gold refinery and hopes to create a sovereign wealth fund to support independence.

According to estimates by industry experts, there are still some 5.3 million tonnes of copper and 547 tonnes of gold at the site. But the mine remains highly controversial — due to earlier environmental damage, the expropriation of land and social divisions. If no political agreement can be reached, old lines of conflict may reappear. Should Papua New

Guinea's parliament fail to ratify the independence agreement, there is a risk of renewed tension between the two parties.

Patiently build-up influence

As its people look towards self-determination, Bougainville is increasingly being eyed by geopolitical strategists in Canberra, Washington and Beijing. A new Pacific state would be a statement of post-colonial emancipation, but it could also shift the power dynamic in a strategically sensitive region. Lying only around 1 500 kilometres north-east of the Australian mainland, Bougainville falls within what Australia calls its inner security arc. The archipelago has a chequered colonial past: formerly a German protectorate, it passed into Australian hands during World War One, was occupied by Japan in World War Two and then found itself under Australian rule once again, a status quo that persisted until Papua New Guinea declared independence in 1975.

The after-effects of Bougainville's colonial past are still apparent today. Many Bougainvilleans continue to feel that, Australia, which supported the Papua New Guinean government in the civil war and later played a key role in the peace process, is more likely to hinder than help its quest for independence.

At the same time, China's influence in the region is increasing. According to the Pacific expert Anna Powles, Beijing is intensifying its efforts to build relationships with Bougainville's political elite. For Trade Minister Patrick Nisira, Chinese infrastructure investment aligns perfectly with the country's aspirations for statehood. On the other hand, reports in the media suggest Bougainville has offered the US a new military base in exchange for helping to reopen the Panguna mine. The territory thus runs the risk of becoming a pawn in the intensifying power struggle between China and the US.

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Bougainville faces huge economic difficulties. Its fledgling political system is plagued by corruption and poor governance. The government is overwhelmed by the complex challenges it faces and is dependent on foreign investors. And herein lies the geopolitical risk: while Western partners are hesitating, wanting to first see political stability, China is already offering a full range of solutions — from loans for infrastructure projects to diplomatic support; to many Pacific states, these seem an attractive proposition.

Chinese investors have already proposed packages that are contingent on long-term mining revenues and on Bougainville's independence. Underlying this putative development programme, however, is a familiar pattern in which investment generates infrastructure — but also engenders political influence. For a country without a functioning financial system and with a ravaged mine as an economic millstone, China's overtures could soon seem the only viable option.

Beijing's strategy is to patiently build up influence, following a pattern already seen in its recent deal with the Cook Islands, which comprises four million US dollars of immediate funding plus infrastructure projects and closer economic ties — and comes with no security policy strings attached. This pattern is also evident in China's rapprochement with Kiribati, the Salomon Islands and Tonga. Such infrastructure investment creates political ties that have, in some instances, already led to security pacts, the Salomon Islands being a case in point. That China could establish its own military bases there has long since become a realistic possibility.

Facing a dilemma

Australia is watching these developments with growing concern. The creation in its own backyard of a newly independent state that is economically reliant on China and potentially subject to Chinese security policy influence would be a nightmare scenario for Canberra's own security interests.

That scenario would not only undermine Australia's role as a pillar of regional stability, it would also further erode the influence of Western democracies in the South Pacific. Canberra may have responded with new security pacts, development aid and partnerships with the likes of Papua New Guinea and Tuvalu, but after years of neglecting such relationships, many of the new measures seem like primarily defensive moves.

The US, whose presence in the Pacific has traditionally been defined by military might, is also growing increasingly nervous about the direction of travel. It may have increased its engagement in the region, via a security pact with Papua New Guinea, for example, or the Partners in the Blue Pacific joint initiative with Australia, New Zealand, the UK and Japan. But the window for forging international alliances with Bougainville could soon close. Structures established in fledgling states can often endure for decades. Those offering partnership today will be able to shape the country's political direction for a long time.

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Bougainville faces a dilemma: developing a new independent state requires capital, specialist expertise and functioning institutions. It's hard to see how the country can manage all this without major assistance from abroad. On the other hand, there is a risk that it could, as others already have, fall into China's 'debt trap', with loans provided on favourable terms aimed at securing long-term political allegiance. Bougainville risks eroding its position as a political actor and becoming the plaything of competing global interests, dependent on whichever power demonstrates greater generosity.

At the same time, to merely see Bougainville as a victim of competing geopolitical influences would be an oversimplification. The unexploited copper and gold deposits at its Panguna mine are among the world's largest. If the authorities succeed in developing them in an environmentally and financially responsible way, Bougainville could, over the medium term, become economically self-reliant. On the other hand, it's worth bearing in mind that simply having resources doesn't automatically give you a seat at the table — often it's those who develop them that set the rules. And it seems unlikely that China, the world's largest importer of raw materials, is going to pass up this particular opportunity.

Ultimately, it's about more than just Bougainville. This small archipelago looks destined to become a symbol of a far larger tectonic shift. The Indo-Pacific has long since become the key arena in a global power struggle — a struggle that sees an authoritarian superpower with economic levers facing off against the West, which is shilly-shallying between a desire to champion its values and a need for economic restraint. Against this backdrop, it seems likely that the extent to which Bougainville enjoys genuine sovereignty will be decided by those who opt to invest.



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