Abstract

Geoeconomic Strategies and Regional Tensions: The Role of the Solomon Islands in China's 'Grand Strategy'

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The Solomon Islands have assumed a heightened strategic relevance within China's global engagement as geoeconomic instruments increasingly complement traditional diplomacy and security cooperation. This paper argues that the Solomon Islands occupy a pivotal position in China's broader strategy of shaping regional environments through infrastructure investment, trade, development finance, and security-linked economic engagement, rather than through overt military presence. The case illustrates how geoeconomic statecraft operates in small island states where economic vulnerability, governance capacity, and external competition intersect.

The paper advances three core arguments. First, China's engagement with the Solomon Islands is best understood as a form of geoeconomic positioning that leverages development finance, infrastructure projects, and market access to establish durable political relationships and preferential influence. These instruments function not in isolation but alongside diplomatic recognition and security cooperation, reinforcing China's strategic presence without formal alliance commitments. Second, geoeconomic engagement has contributed to regional tensions by altering threat perceptions among traditional partners such as Australia, New Zealand, and the United States, who increasingly interpret economic projects through a security lens. This has accelerated competitive responses, including enhanced development assistance and regional security initiatives, reshaping the strategic landscape of the South Pacific. Third, the Solomon Islands' domestic governance structures mediate the effects of geoeconomic influence, as executive-centered decision-making enables rapid policy realignment while limiting broader consultation and oversight, raising questions of legitimacy and sustainability.

By situating the Solomon Islands within China's global strategy and the Indo-Pacific's evolving geoeconomic order, the paper demonstrates how economic instruments can generate strategic outcomes disproportionate to the scale of individual projects. It concludes that regional stability will depend on the ability of Pacific Island states and external partners to manage geoeconomic competition in ways that preserve governance capacity, mitigate escalation dynamics, and avoid the securitization of development cooperation.