

**PENANG SANGAM HIGH SCHOOL  
HISTORY YEAR 12  
WORKSHEET 19-21**

**Strand: Diplomacy**

**Sub strand: CHEQUE BOOK DIPLOMACY**

**Objective-** define cheque book diplomacy

Importance of cheque book diplomacy

How does China benefit from cheque book diplomacy

❖ Checkbook Diplomacy

- International policy of using loan, economic and investment to attract diplomatic favors
  - Using aid and loans to attract supporters
  - Trying to become best friend with small Pacific Island nations
- To receive their support at votes in the UN

**China's 'chequebook diplomacy' in Fiji under fire**

AUSTRALIA has been pressing China to curb its support for Fiji. Diplomats in Canberra and Beijing are understood to have raised the situation in Fiji with Chinese officials. China has become a big donor across the Pacific, mainly as part of its diplomatic offensive to prevent more states from recognizing Taiwan as an independent state. China has boosted aid to Fiji since a coup by a military commander, Frank Bainimarama, which has crippled economy and led to drastic fall in tourism and foreign investment. Australia and New Zealand have led regional efforts to pressure the regime to restore democracy, including imposing sanctions and travel bans and restricting aid. The Department of Foreign Affairs and Trade has confirmed it has raised concerns with China after recent moves by the regime to extend its hold on power. Australia continues to encourage China to play a constructive role in the Pacific islands region, and is keeping China fully advised of our concerns about the very negative recent developments in Fiji, a spokeswoman said. Australia engages in regular dialogue with china, and other donors, in support of effective development co-ordination in the Pacific island region. A Lowy Institute analyst, Fergus Hanson, said "China's "chequebook diplomacy" had resulted in a sevenfold increase in pledged aid to Fiji since the 2006 coup, from \$US23million in 2006 to \$US160million in 2007. The main reason for the aid is competition with Taiwan," Mr. Hanson said. China makes the case that it gives the aid without strings attached and without regard to domestic politics – but by coming in quite dramatically with such a big aid program, it is playing politics. Australia and New Zealand have been leading a diplomatic push across the region to isolate Fiji by suspending it from the Commonwealth and the Pacific Islands Forum, which said this year the regime should prepare for elections by May 1, 2014

Source: <http://www.smh.com.au>

**TOURISM**

- ❖ Tourism arrivals of PRC and ROC is smaller compared to arrivals from Australia and New Zealand to Fiji
- ❖ The PRC (6million people) and ROC (40million people)
  - Have a big middle class who
    - ✓ Are interested in travel
    - ✓ Have high income
- ❖ Fiji is trying to attract Chinese tourists
  - Only Korea has a flight that flies directly to Fiji

1. **“Fiji sees 32% increase in Chinese tourists in 2010”**

SUVA, March 27 (Xinhua) – An estimated 18,000 Chinese nationals visited Fiji in 2010, according to the Tourism Fiji here Sunday. This is an increase of more than 32 percent over the 2009 figure, Tourism Fiji Executive Officer Josefa Tuamoto told state owned radio station Fiji Broadcasting Commission. Tuamoto said that China is an emerging market and his agency looks to get even more visitors from china this year as they lobby Fiji as the best holiday destination in the world. Tourism Fiji recently organized a workshop in Shenshen, China for Chinese travel agents and wholesalers. The main thrust of the workshop is to swiftly build on the inroads achieved in China across 2010, Tuamoto said. Similar workshops were also held in other Chinese major cities of Shenyang, Hangzhou, Guangzhou as well as in Hong Kong. Tuamoto said planned events for the remainder of 2011 will provide them the perfect opportunity to showcase Fiji’s ever-growing range of diverse products which is critical to the island nation’s growing visitor arrivals.

2. **“A dream destination”; New fashionable destination for Chinese tourists”**

Who does not dream to travel to Fiji? All travelers want to experience the beautiful beaches that abound on the island. Fiji is indeed known for the beauty of the color of the sea, intense and transparent at the same time. Many travel agencies offer personalized circuits in Fiji. The Fiji archipelago located in Oceania, covers about 1.3 million km<sup>2</sup>, and has about 400 islands, most of which are uninhabited. The small island of Fiji in south Pacific becomes the radar of Chinese tourists and the next fashionable destination for travelers in search of exoticism and adventure. Tourism is now one of the main factors of the economic growth in Fiji. During the Chinese holiday period, Fiji expects to increase tourist flows. In recent years, the number of Chinese travelers in Fiji has grown by almost 10% according to the Government of Fiji. The main attractions of the archipelago are: Ovalau (walks in jungle, small deserted beaches), Suva (Compulsory passage), and the Coral Coast (traditional place where you can sleep for a few nights). China represents a very promising market for Fiji. Arrivals of Chinese visitors increased significantly from 2009 (4 807) and 2012 (26,935). This growth can be explained by the presence of direct flights between Fiji and Hong Kong through Air Pacific. Fiji has implemented several decisions to receive the maximum of Chinese during this year. For example, nearly half of the ATMs in Fiji accept cash withdrawals using credit cards of Union Pay.

Source: <http://marketingtochina.com>

Worksheet 20

**ACTIVITY 6 Questions based on Check Book Diplomacy**

1. What is a “diplomatic offensive” (one sentence answer)
2. What is “aid without strings attached”?
3. What is a “diplomatic push”?

4. Describe in two sentences the meaning of cheque book diplomacy?
5. What is the main reason that the PRC gives aid to Fiji?
6. How much did the PRC's aid to Fiji (in dollars) rise in between 2006 and 2007?

Worksheet 21

### **CONCLUSION**

- ❖ The PRC is one of the world's two greatest future super-power
  - India is another the other
  - ROC is the most successful, rising powerful nations in Asia
- ❖ Fiji is a small neighbor in super-power diplomacy
  - Fiji will always try to be a friend
  - Fiji will try to maintain diplomatic relations with the PRC and ROC
  - Fiji will try to obtain maximum benefit from her relationship with them
- ❖ Diplomacy aims to maximize a country's own national interests
  - Whilst maintaining friendships, treaties, conventions and agreements with other nations
- ❖ Fiji shares historical connections with the Chinese people
  - This is an advantage for Fiji
  - Fiji is home to the Chinese Embassy, the "China Club" including many Chinese restaurants and Fijians of Chinese descent.
  - These links are a sign of a deep, complex relationship between China and Fiji.

### **GLOSSARY**

1	Bilateral	An agreement between two countries
2	Delegation	An official "team" of politicians, expert and advisors visiting another country
3	Guomindang	(KMT) The pro-democracy Chinese who fled to Taiwan and created ROC
4	Joint Communique	An announcement of an agreement signed by two countries
5	Multilateral	An agreement between three or more countries
6	Reciprocal	A sharing or equal exchange; or response to an earlier act or policy