

sovereign interests to be evaluated against the merits of any agreement but it also provides less certainty than membership of a more long-term alliance such as Iceland's relationship with NATO. The asymmetric negotiating position that Iceland has in relation to its strategic location gives Iceland benefits that the Compact States, at this stage, are unable to replicate. This creates a situation where the Compact States need the employment, economic and service benefits of the Compact more than the US needs the Compact States strategically. This is the reverse of the Iceland bargaining position and places the Compact States at a disadvantage in their negotiations with the US. The only strategic issue that could give the Compact States more weight is the rise of China. While Pacific Island states are not at the top of the list of China's strategic interests, Beijing is expanding its influence there and it is a region where a modest investment can have significant regional effects. This power game could generate renewed US interest in the strategic value of the Compact States but it could also bring insecurity¹¹⁷.

As described a Compact of Free Association Arrangement with a major power as a means of providing for a small state's defence has some problems. While the protection of the world's only superpower does almost eliminate the prospect of invasion it does little to combat the threats that actually influence the Compact States on a daily basis such as illegal fishing and transnational crime. Add to this the dependence on Compact funds that has developed and the fact that the citizens of these countries are still fighting and dying in wars far from their homes, pursuing goals far removed from the interests of their homelands and the benefits for security that a Compact creates start to appear thin. Although the Compact of Free Association keeps the FSM, RMI and Palau safe from invasion and annexation it has left some fundamentals of security for these states unaddressed. These unaddressed issues are more likely and more immediately consequential than the unlikely existential threats the US is able to prevent.

¹¹⁷ Joanne Wallis, **Crowded and Complex: The changing geopolitics of the South Pacific**, (Barton: Australian Strategic Policy Institute, 2017), 9-13.