REVIEW ESSAY: The Political Economy of China's Incursion into the Caribbean and Pacific Jeremy L. McElroy Saint Mary's College Notre Dame, Indiana USA HYPERLINK "mailto:jmcelroy@saintmarys.edu" jmcelroy@saintmarys.edu & Wenwen Bai Saint Mary's College Notre Dame, Indiana USA HYPERLINK "mailto:wbai01@saintmarys.edu" wbai01@saintmarys.edu Abstract: This paper examines the recent incursion by China (meaning both Beijing and Taipei) into the Caribbean and Pacific. The general contours of Chinese trade and investment are discussed to provide a background context for a more specific exploration of Chinese aid, especially to small islands across the two regions. A review of recent literature primarily from Western sources reveals that the main strategic use of aid by Beijing (People's Republic of China – PRC) has been to support the demands of its growing economy but secondarily to isolate Taiwan (Republic of China – ROC) diplomatically. This conclusion, illustrated with several case vignettes, is based on the focus of Chinese aid on those islands retaining diplomatic links with Taipei as well as on the political manoeuvring this Cross-Strait rivalry has spawned. The paper further suggests that the types of projects Beijing and Taipei have funded, like those of their Western counterparts before them (Australia, Japan, United States), yield limited long-term island development gains. Keywords: aid, Caribbean, chequebook diplomacy, China, islands, Pacific, People's Republic of China (PRC), Republic of China (ROC), Taiwan © 2008 - Institute of Island Studies, University of Prince Edward Island, Canada. Island Studies Journal, Vol. 3, No. 2, 2008, pp. 225-246.