



China-Australia relations and the “Sharp Power” Concept

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Preface

In June 2018 the Parliament of Australia passed legislation intend to prevent and crack down on unwarranted interference in domestic politics and society by foreign powers (hereinafter referred to as the Foreign Government Interference Countermeasures Act). In the process of enacting it, the cabinet ministers of the conservative coalition government led by Prime Minister Malcolm Turnbull and senior party members have suggested with unusual explicitness that one of the key objectives of the bills was to strengthen countermeasures against interference by China in Australian politics and society. Moreover, in parallel with the debate on the bill, discussions also began to be widely held in the Australian media and academic societies, sometimes in a form substantially backed up by evidence and sometimes in a form with a lot of speculation mixed in, about the situation in which people and organizations under the supposed influence of the Chinese government are engaging in a variety of political activities inside Australia.

Against the background of these kinds of perceptions of the problem, in recent years

in the intellectual community of Australia the series of activities (deemed to be) by the alleged Chinese government have been conceptualized as an example of “sharp power”. “Sharp power” is a new notion that was put forth by Christopher Walker and Jessica Ludwig of the National Endowment for Democracy and conceptually elucidated by Joseph S. Nye Jr. of Harvard University. It means the circumstances in which the authoritarian countries of China and Russia use the openness of democratic countries to expand their own influence = power, and the circumstances in which the former expand their power with respect to the latter based on the “asymmetry” that exists between authoritarian countries and democratic countries in their domestic systems and values regarding freedom of speech and the press.

This paper investigates in detail the emergent discussions and the related phenomena about the interference activities of China reported in recent years in Australia, while critically examining the analytical usefulness possessed by the “sharp power” concept. In what follows, it analyzes two specific examples for these purposes, (1) trends in recent years in the Australian domestic political circle and (2) discussions about the so-called China’s influence in

higher education centered on universities, and identify the points of contention regarding the Sharp Power concept.

Controversy over China in the Australian political world

The direct factor behind the enactment of the aforementioned Foreign Interference Act in June 2018 was the so-called Chinese connections controversy surrounding opposition party Senator Sam Dastyari, who was a senior member of the Australian Labor Party (and resigned from Parliament in January 2018). The beginning of the affair was the discovery in 2016 that Senator Dastyari had been invited twice in the past to China by an organization with links to Mr. Huang Xiangmo [name in Chinese characters: 黄向墨], a Chinese businessperson and the President of the Australian Council for the Promotion of Peaceful Reunification of China (ACPPRC). The accusation was that Dastyari had neglected to report the fact that he had his travel expenses covered by foreign figures. Australian new media reported that the ACPPRC to which Mr. Huang belongs is under the direction of the United Front Work Department of the Chinese Communist Party (CCP) Central Committee and is involved in management and organization of the Chinese community in Australia, and critically pointed out the fact that Senator Dastyari received financial benefits from the person with a deep relationship with the Chinese government. (Furthermore, due to the fact that Mr. Huang himself submitted an opinion piece to the international/English edition of *Huánqiú Shíbào* (the Global

Times) claiming that activities to enhance the legitimate influence of the Chinese people in Australian politics should be strengthened, etc., some media took it as he had publicly admitted that he was engaged in a variety of activities under the influence of the Chinese government.) Moreover, at about the same time it was revealed that Senator Dastyari had some of the travel expenses necessary for his own political activities provided by the Top Education Institute, allegedly a China-connected organization in Australia. As these Chinese connections surrounding Senator Dastyari became the subject of controversy, the question of whether China was interfering in Australia's domestic politics in a variety of ways emerged as a theme that widely came to the attention of the general public. However, as of 2016 the curtain had closed on the affair in the form of the resignation of Senator Dastyari from all important posts in the Australian Labor Party, and discussions pertaining to this matter in Parliament and the media seemed to wind down for a time.

However, in the following year, 2017, suspicions about the Chinese connections of Senator Dastyari suddenly developed into the focus of the political situation due to the discovery of the following two scandals. The first was his controversial statement related to the South China Sea. When it was revealed that Senator Dastyari made a statement regarding the South China Sea to the effect that it is "a matter for China and Australia should not get involved" at a gathering of Chinese ethnic supporters when he appeared on the podium together with the aforementioned Mr. Huang, there was

growing criticism in the Parliament of Australia that his foreign policy positions were twisted by his financial connections with the Chinese. The official party line the Australian Labor Party on the South China Sea tensions, to which Senator Dastyari belonged, is that “freedom of navigation” is endangered by China’s activities such as land reclamation, etc. in the South China Sea so it is asserting the policy that the Australian military should implement its own “freedom of navigation” operations. Therefore, it was officially acknowledged that the aforementioned statement by Senator Dastyari deviated from the party line. Subsequently, when the second scandal came to light, in which Senator Dastyari communicated a warning to Mr. Huang to the effect that you should be careful because it is possible that your phone is being tapped by the government, criticism developed in the political circles and the media that he had divulged information regarding the intelligence activities of the government to a foreign national while being in the position of being a Member of Parliament. These events gave rise to suspicions that a leading Member of Parliament who had continuously received the provision of funds from organizations and people indicated to be under the influence of the Chinese government may have compromised his policy positions and activities.. Senator Dastyari took responsibility for the series of political scandals and resigned as a Member of Parliament in January 2018.

Triggered by this Chinese connections controversy surrounding former Member of Parliament Dastyari, a variety of issues

came to surface in Australia’s political circle and media regarding Chinese state activities inside Australia. As the major media stepped up their reporting, it became apparent that actually not only former Member of Parliament Dastyari but also both the ruling and opposition parties were widely receiving funds in a variety of forms from, and had personal relationships with, organizations and individuals reported to have links to the Chinese government, including Mr. Huang. When it was discovered that the local Western Australian branch of Liberal Party, headed by Julie Bishop, a leading politician in the governing conservative coalition government who was serving as the foreign minister, was receiving sizable donations from Chinese-Australian businessperson Mr. Chau Chak Wing, the controversy of Chinese connections changed into a political issue that transcended the boundary between the governing and opposition parties. It was reported in the media that at the time this matter came to light Mr. Chau was already an active subject of an investigation by the United States Federal Bureau of Investigation (FBI) based on the suspicion that he had provided bribes to the President of the United Nations General Assembly, but subsequently the fact that he was actually the subject of an investigation was virtually confirmed from statements of governing party Members of Parliament and Prime Minister Turnbull. Furthermore, it was revealed that Bill Shorten, the leader of the Australian Labor Party, had also had contact with Mr. Huang multiple times, including visiting his home and having dinner with him, in the same way as former Member of

Parliament Dastyari. The fact that the dinner created an opportunity for political party donations by the developer company Yuhu Group where Mr. Huang serves as an executive has been discovered, so a situation arose in which even suspicions could emerge about the Chinese connections of Member of Parliament Shorten, who is in a position where he could become Australian Prime Minister depending on the results of the next election. However, the donations to the governing party branch and the dinner of Member of Parliament Shorten do not immediately constitute illegal actions; furthermore, no evidence has been found to suggest that these donations had a large influence and slanted the political assertions of the related Members of Parliament. In that sense, these issues and the series of scandals surrounding former Member of Parliament Dastyari are handled with a clear distinction drawn between them in the discussions in the media and Parliament.

As the series of scandals surrounding Member of Parliament Dastyari and the Chinese connections controversy that spread to the political world overall heated up, the Turnbull conservative coalition government submitted the Foreign Government Interference Countermeasures Bill and this bill was passed in June 2018. The main content of the bill is made up of the following items: (1) the obligation to register lobbying activities for a foreign government (this also extends to commercial lobbyists and former ministers), (2) expansion and substantiation of the definition of criminal acts and introduction of tougher penalties

(example: receipt of sensitive information from political parties has been made illegal), (3) coordination and cooperation between ministries and agencies facilitated by the Minister for Home Affairs and the Department of Home Affairs (the establishment of which was decided in another bill that had already been submitted), and (4) prohibition of political party donations using funds linked to foreign governments and regulations on the provision of funds for political acts. Of these items, (2) has attracted the criticism that it could restrict the reporting activities of journalists inside Parliament, and outside Parliament as well the Amnesty and Human Rights Watch organizations have pointed out that there are risks from the perspective of protecting human rights. In this context, the governing conservative coalition and the largest opposition party, the Australian Labor Party, agree to multiple amendments to this bill, agreeing to reduce several of the penalties and incorporate additional content to protect journalists. We can conclude that this problem specifically presented the fact that a tension exists between policy to regulate the activities of foreign governments and policy to protect the political values of Australia. Furthermore, regarding the above (4), opinion pieces were submitted expressing surprise and dissatisfaction at the fact that such actions had not been illegal in the first place. When finally submitting the bill with the above purposes, the governing conservative coalition led by Prime Minister Turnbull condemned Member of Parliament Dastyari for receiving funds from people linked to the Chinese government and

appealed to the need for the bill again while sometimes mentioning China.

The Chinese government reacted against the criticism and mention of China surrounding the said bill. The Chinese ambassador to Australia and the Chinese Foreign Ministry Spokesperson one after another expressed strong dissatisfaction with the Australian government and media in public forums, and the Chinese connections controversy developed into a bilateral diplomatic issue between China and Australia. In response to the criticism of the Chinese government, Prime Minister Turnbull used the sentence “the Australian people stand up” recalling the famous statement made by Mao Zedong in 1949 in Tiananmen Square, emphasized that China would also “respect” his own strong stance of promoting this bill, and did not back away at all from his public position recognizing that concerns regarding interference by China in Australia’s domestic politics were in the background of submission of the said bill. Since this issue had already become an important point of public dispute, the Turnbull administration had little political room to relax its stance. Furthermore, the ruling conservative coalition was continuing to score below the largest opposition party, the Australian Labor Party, in a range of opinion polls, so it has been pointed out in some quarters that the debate surrounding the said bill became a political opportunity to develop criticism of the Australian Labor Party keeping in mind the general election which will be held by May 2019. Similarly, taking into account the loss of favor with the public due to the resignation of Member of

Parliament Dastyari, the opposition party, the Australian Labor Party, constantly took the position of recognizing the necessity of the Foreign Government Interference Countermeasures Act in its broad outlines, because it wanted to demonstrate that it had clear hands in the sense that it was not under the political influence of the Chinese government. Given this context, China-Australia political relations deteriorated further. In May 2018 at the China-Australia Foreign Ministers’ Meeting held on the sidelines of the Meeting of G20 Foreign Affairs Ministers in Buenos Aires, Minister of Foreign Affairs Wang Yi told Minister for Foreign Affairs Julie Bishop that China never interferes with the internal politics of other countries and presented the criticism that Australia should stop viewing China with “colored glasses.” Furthermore, Foreign Minister Wang Yi went out of his way to emphasize that the meeting was not an official bilateral foreign minister-level strategic dialogue but nothing more than an exchange of views held in response to a request from Australia. Moreover, Trade Minister Steven Ciobo, who visited China the same month, was unable to hold a minister-level meeting on trade despite a proposal from the Australian side, and he ended up experiencing the unusual situation of going back to Australia without any high-level political exchanges. (Furthermore, delays in the import procedures for Australia-made wine in China were reported one after another by industry organizations, and it has been pointed out that China’s dissatisfaction regarding the bill is behind this.) At the time of writing this paper, it is still

uncertain whether China-Australia relations will deteriorate still further or will be improved. Specific observation points such as whether negotiations for the revision of the China-Australia bilateral FTA are commenced, whether an official China-Australia foreign minister-level strategic dialogue is held, and whether Prime Minister Turnbull realizes a visit to China are attracting attention as indicators for forecasting what will happen going forward.

Discussions about higher education and research institutions

In October 2017, in his testimony to Parliament, Australian Security Intelligence Organisation (ASIO) Director-General of Security Duncan Lewis made a statement sounding a warning that there was a possibility that foreign governments were utilizing international students and consulate staff born in their own countries to exercise influence in universities inside Australia and urging Parliament and people involved in the universities to be careful. The statement of Director-General Lewis in the Australian media was widely understood to have China in mind, and we can conclude that one of the reasons for it was the increasing critical media reports regarding the growing presence of China and Chinese people in university education workplaces at that time. Those media reports can be mainly divided into three types.

Firstly, there are the media reports about Chinese international students. There are indications that in recent years some Chinese international students have engaged in actions that infringe academic

freedom and freedom of speech on campus. There were media reports that in September 2017, when a certain lecturer at the University of Newcastle used expressions in a class that made Taiwan and Hong Kong sound like independent countries, Chinese international students responded to this by strongly objecting and asking the lecturer to make a correction. Furthermore, discussions regarding this matter became widely known beyond the campus because a video in which one of the said students criticizes the lecturer in strong terms was distributed online. Moreover, in the same month it was revealed that Chinese students also objected to the fact that a region related to a China-India border dispute was not marked as Chinese territory on a map presented by a lecturer during a class at the University of Sydney and held a fierce exchange with the lecturer. In this context, in Australia over the past two years some people have started to worry about the safety of Chinese international students due to the overheated media reports about the words and actions of Chinese international students, as leaflets including content that is discriminatory toward Chinese international students have been posted on university campuses, and multiple violent incidents have been reported in the media, etc. However, at the time of writing this paper we cannot go so far as to conclude that the trend is that these kinds of inhumane acts are growing in Australian universities.

Secondly, media reports that the Chinese government is applying various kinds of pressure to Chinese international students and researchers continued. In particular, in

the following two cases media reports presented the specific testimony of the parties. The first case is the event involving Chinese international student Tony Chang. Mr. Chang had been involved in activities criticizing the Chinese government in Australia for many years, and he has testified that his family members living in China were pressured by people who appeared to be government officials to get Mr. Chang to stop his activities. According to the Australian Broadcasting Corporation (ABC) program Four Corners, in response to the above circumstances the Australian government issued a visa to Mr. Chang and supported his staying in Australia. One more example is the event involving Mr. Chongyi Feng, a Chinese researcher at the University of Technology Sydney who holds Australian permanent residency. Mr. Feng, who specializes in human rights issues, is known for critical statements and actions toward the Chinese government. In April 2017 he finished his research activities in China and immediately before he returned to Australia, he was forbidden to leave the country at an airport in China and made to stay there. According to Mr. Feng, he was questioned about various aspects of his research activities during the period of approximately one week he was made to stay there. In response to these kinds of incidents, the leading media and knowledgeable persons of Australia submitted a series of media reports and opinion pieces accusing China of suppressing freedom of speech inside Australia.

Thirdly, media reports saying that the Chinese government is engaged in more

direct lobbying with respect to the management of universities can be seen. The Australia-China Relations Institute at the University of Sydney is particularly frequently mentioned as a typical example of this. Australia-China Relations Institute is an organization whose name is widely known in the community of Japanese scholars who research Australia, and in particular the public opinion poll regarding the East China Sea posted on the website of the institute in 2015 is famous. According to the poll, in response to a question asking how the Australian Prime Minister should respond in the case that Japan and China had started a military conflict over islands in the East China Sea and the US President had asked the Australian Prime Minister to participate in the war on the side of Japan and the US, 68 percent of the survey respondents replied that he should maintain neutrality and communicate to the President that he would not make a military commitment. Furthermore, the Director of the institute, former foreign minister Bob Carr, is known as a person who is critical of the stance of the Australian government to be actively involved in maritime issues surrounding China and of the strengthening of the US-Australia alliance and Japan-Australia relations, and he has repeatedly made assertions of these kinds both inside and outside Australia. A series of media reports and opinion pieces by researchers indicating that this institute carrying out these kinds of research activities is an organization that has a deep relationship with China has been published over the past two years. As evidence for that, it has been indicated that

people belonging to Chinese-owned companies and the Mr. Huang whose relationship with former Member of Parliament Dastyari was questioned are members of the board of directors of the institute; furthermore, it is unclear whether there have been any donations of funds from these companies to the institute. Note that in the context of indications such as the above being made, in 2017 the Director, Mr. Carr himself, rejected the criticisms by emphasizing that Mr. Huang had already resigned as a director, that the institute would not receive the provision of funds from him going forward, and moreover that the Australia-China Relations Institute was a politically-neutral thinktank, for example it welcomed the provision of funds from US companies.

At a time when media reports about the activities of Chinese international students and the Chinese government in universities became overheated in this way, a variety of views regarding the best response were submitted in the academic societies of Australia. Several of those have been published in the form of open letters in the joint names of university staff. Here, we will not present individual opinion pieces but rather we simply present below the two representative points of contention that have been indicated regarding this matter. Firstly, there is the indication that from a security perspective some forms of preventative measures and regulations should be introduced with respect to the expanding influence of the Chinese government and the activities of Chinese students on campuses. This should be done to protect freedom of

speech and academic freedom in which Australia believes. In response to this, the second assertion sounds a warning that excessive caution towards Chinese international students could infringe their human rights and academic freedom. In particular, there are quite a few researchers that express the concerns that discussions making the case for caution with respect to the activities of Chinese students from the perspective of security are not necessarily backed up by specific evidence and treating all Chinese students as if they are tools of the Chinese government could even lead to racial discrimination as a result. It is difficult to decide the actual response between these two perceptions of the issue. On the one hand, infringement of the values in which Australian universities believe through over-protection of the safety and human rights of international students must be prevented, but at the same time inviting a situation in which the human rights of the students are restricted due to excessive focus on preventing interference by foreign governments must also be avoided. Assuming this, what kind of appropriate balance can be found between these two outcomes? The university staff of Australia are facing a difficult issue.

As one example of a response to this point of contention, Vice-Chancellor Brian P. Schmidt at Australian National University indicated that it is essential to distinguish between students engaged in activities under the influence of a foreign government and the great majority of students who are not, and that it is important for the protection of academic freedom for students with

diverse backgrounds to interact with each other to form a broad community within the university rather than students always forming cliques with other students born in their own country, and therefore to develop an intellectually open attitude with respect to different views and criticism. Furthermore, Vice-Chancellor Schmidt emphasizes that it is financially important for Australian universities to strengthen cooperation with research institutions in China, which have a lot of funds, and to continue accepting the growing number of Chinese international students, and has made proposals to recall at the same time the economic stake possessed by this issue.

In response to these media reports, etc. about Chinese students and researchers, in recent years situations in which the Australian government raised the issues of human rights and democratic values with respect to China have increased. In October 2017, when media reports showed a tendency to be overheated, Foreign Minister Bishop and Frances Adamson, Secretary of the Department of Foreign Affairs and Trade, in public forums, one after another called on Chinese international students to respect freedom of speech. Moreover, Foreign Minister Bishop made an unusual statement in which she went as far as to mention the human rights issues in China and the necessity of democratization in the future. According to one piece of research regarding China-Australia relations, since the founding of the China-Australia human rights dialogue in 1997, the basic policy of the Australian government has been to utilize a non-public dialogue framework to

point out issues such as human rights, etc. while avoiding the exchange of criticism in public forums as much as possible, so it can also be concluded that the stance of the Australian government in recent years to mention points of contention such as human rights issues and democratization in China publicly is a notable phenomenon because it deviates from a policy of many years. Furthermore, in recent years the Turnbull conservative coalition government has been advocating a policy of further strengthening economic and security cooperation with like-minded states that share its values, but there is also a discussion indicating that the increasing awareness in Australia of issues surrounding China is one of the major factors behind the renewed emphasis on values in Australian diplomacy.

The “Sharp power” concept

There are many discussions conceptualizing as “sharp power” the various alleged activities of China surrounding the Australian political world and higher education indicated in recent years. For example, Rory Medcalf, Head of the National Security College located in Canberra, has said that many foreign governments have engaged in a variety of activities inside Australia for many years partly due to its multicultural and multiethnic social characteristics, and it cannot necessarily be concluded that those activities are improper conduct, but on the other hand he clearly criticized the “sharp power” by the Chinese government, saying its scale and nature compared to the activities of other foreign governments were unacceptable. Moreover,

he claimed that countermeasures against the “sharp power” of China should be strengthened in order to protect the values of Australia, and advocated the establishment of the Foreign Government Interference Countermeasures Act and consideration of some form of response in the universities.

If based on the two examples described in detail by this paper, however, two conceptual reservations exist regarding framing a range of activities (deemed to be) by China in Australia as an example of “sharp power.” First, as widely indicated by the knowledgeable persons and politicians of Australia, the institutional deficiencies unique to Australia cannot be ignored. Until the Foreign Government Interference Countermeasures Act was enforced, political activities using the funds of foreign governments were widely deemed to be legal acts. Perhaps it is necessary to consider whether this should really be understood to be an attack exploiting the openness of democracy as indicated by “sharp power” or rather it should be concluded that there was an issue with the fact that institutional countermeasures that are feasible in democratic states as well were neglected. Second, supposing that the series of activities were implemented by the Chinese government as reported by the media, can we really conclude that as a result of those activities a situation favorable to China was created and the power of China expanded? At the current time, Member of Parliament Dastyari who was considered to have been a mouthpiece for the position of the Chinese government has lost his position, criticism of former foreign

minister Carr is growing inside Australia, and the political activities of Mr. Huang have clearly been restricted. In what form has this result, the decline of the influence of these people, increased the power of China? Similarly, it has been indicated that despite the criticism of China there was no change to the policy of the Australian government, China-Australia political relations deteriorated over the Foreign Government Interference Countermeasures Act, and moreover there is even a possibility that this became one factor leading to Australia strengthening its cooperation with like-minded countries, but can we conclude that these phenomena increased the power of China? If we take into account the above questions, we can conclude that at the present time it would be hasty to reach the conclusion that a range of activities inside Australia have built the sharp power of China.

On the other hand, we can conclude that the greatest analytical usefulness of the “sharp power” concept is that it puts the spotlight on the fact that particular dilemmas exist for democratic countries when formulating solutions to a range of activities by authoritarian states. In the both examples of the Australian political world and higher education workplaces handled by this paper, it became clear that a tension exists between protection of the political values of Australia, including freedom of the press and academic freedom, and countermeasures against a range of activities by foreign governments. As indicated by the “sharp power” concept, we can conclude that this tension shows that putting the analytical focus on the

characteristics of democratic states is useful.

However, it would be hasty to judge using only the analysis of this paper whether we can conclude that the openness and values of democratic states provide the “window of vulnerability” which could lead to an expansion of the power of authoritarian countries, or we can conclude the complete

opposite, that they are even the appeal and strengths of democratic states. Still, we can conclude at least that the one thing which is certain is that how a person answers this question reveals how that person essentially interprets democracy and “sharp power.”

Profile

profile

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