

BETWEEN THE LINES OF AUSTRALIA'S CHINESE INFLUENCE DEBATE

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If you have picked up an Australian newspaper in the past few months, chances are you have come across an opinion piece debating “Chinese influence” in Australia. These two words have become shorthand for a multitude of hot-button issues that are beginning to affect Australian perceptions of China’s power. Among these are allegations of Communist Party-linked bodies interfering with freedom of speech at Australian universities, and a general unease around Chinese donations to Australian political parties.

This narrative has emerged against the backdrop of a bilateral relationship of exceptional scale and dynamism. There are over 1.2 million Australians of Chinese ancestry and members of the Chinese-Australian community have played a significant role in Australia’s modern history. China has for some years been Australia’s biggest trading partner and the two countries’ economic ties are deepening. Australians’ views of China are more positive than their US, UK and Canadian counterparts. If you ask Australians which is more important — the US or Chinese relationship — the answer will be split down the middle, according to Australia’s leading foreign policy poll.

Discussion of Chinese influence in Australia is typically framed by the bigger question of how China’s rise affects Australia’s broader foreign policy trajectory — especially its relationship with the United States. Australia’s closeness to China is more evident — and perhaps more debated — today than at any time since the turn of the 21st century. That this is happening during the most isolationist US presidency since before World War II is no coincidence.

Universities have dominated recent Australian media coverage on Chinese influence and are an instructive place to start in understanding the debate. Last year, 37 percent of the international students who enrolled in Australian universities — thus constituting the largest international student body in the country — came from China.

For some time now, investigative journalists have been pursuing the role of Chinese “informant networks” in Australian universities, also paying attention to the domestic counter-intelligence response. In October, government officials allegedly told ABC News that Beijing uses Chinese student groups “to spy on Chinese students in Australia, and to challenge academics whose views clash” with those of the Chinese Communist Party. The debate reached a new height when

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The Australian Parliament House in Canberra. Is it blue skies or storm clouds for Australia's relationship with China?

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Foreign Minister Julie Bishop commented that Australia does not “want to see freedom of speech curbed in any way involving foreign students or foreign academics”.

Senior voices from business and universities have called for a response recognising the importance of building positive relationships with Chinese students as future cultural and business ambassadors for Australia. As Australian National University President Brian Schmidt observed, “there is no upside to letting the security concerns about a small proportion of international students affect our attitude to the wider international student body”.

Anxieties about political contributions from donors of Chinese origin, mostly Australian citizens, have likewise been ramped up in recent months. The Australia Security Intelligence Organisation (ASIO), Australia’s national security agency, has reportedly briefed politicians on donations being a possible “conduit for Chinese Communist Party influence”.

Unlike the United States, the United Kingdom or Canada, Australia does not ban foreign political donations. If Australia tightens the rules, as many believe it should, it will want to do so for all countries. A multipartisan inquiry into foreign donations is currently underway.

The backdrop to the political debate is the colossal bilateral economic relationship. Last year, China accounted for over one quarter of Australia’s two-way merchandise trade and continued to grow as a source of foreign direct investment. The relationship appears to be prospering despite the current political atmosphere. In the last two years, the Australian treasurer has blocked two major Chinese foreign investment bids — including a state government-owned electricity provider, Ausgrid — on unspecified national security grounds. Economists excoriated the Ausgrid block and worried about its implications for Australia, where foreign direct investment has historically been a foundation for economic growth.

These recent developments have implications for the broader relationship and for the region. How Australia addresses them will depend on how it defines its national interests and its position in the regional order. Yet, apart from side comments in other contexts such as regional security dialogues, Australia’s government leadership — as distinct from talkative officials — has been virtually silent on the question. Allan Gyngell, former director of Australia’s chief intelligence assessment agency, has observed that “China is becoming a proxy for the United States in the Australian national security debate”. A “posture of resolute opposition to China”, he adds, “is becoming seen as a measure of loyalty to the alliance”.

The challenge of managing relations with Trump’s United States — and the uncertainty his administration represents — fills the spaces between the lines

of Australia’s Chinese influence debate. Every day, Australia faces foreign policy questions that simultaneously affect its relations with China and the United States. How should Australia involve itself with the Belt and Road Initiative? Should it participate in “freedom of navigation” operations jointly with the United States in the South China Sea?

Visions of China’s regional trajectory relative to the United States differ among Australia’s foreign policy elite circles. John Lee, now a senior adviser to the foreign minister, wrote in 2015 that the trend is “almost certainly heading towards an increasingly contested Asia, but one tilted heavily in favour of the United States”. Others, including Gyngell, hold that “the US will not be able to maintain military primacy in East Asia” and that Australia must prepare for this reality. Australia’s two main political parties are developing areas of divergence on China, where often there is bipartisanship. This was evidenced by Shadow Foreign Minister Penny Wong’s criticism in May of the ruling coalition’s “unexplained equivocation” on the Belt and Road Initiative and “the opportunities it offers”.

The Chinese influence debate, for all its opaqueness and its conduct in the undergrowth of officialdom, makes two Australian policy objectives a little clearer. The first is a priority to deepen Australia’s institutional understanding of Chinese politics, economics and culture. As China continues its reforms, locating areas of

cooperation and mutual interest will be vital for Australia. Creating an independent, binational Australia–China Commission to administer bilateral exchange is one proposal gathering momentum to help achieve this. The second is to maintain strong, clear institutional

frameworks for managing legitimate cases of foreign interference. As one security expert has argued, Australia must more clearly “define what about foreign interference counts as criminal, what is more in the realm of unacceptable diplomatic practice, and what is merely a side-effect of the many benefits of global and regional connectedness”.

All bilateral relationships involve risks, some of which arise from differences in political systems. For Australia, managing these risks requires measured political leadership and strong bilateral and regional institutions. The recent “Chinese influence” hype notwithstanding, Australia’s success as a multicultural society has been contingent on encouraging diverse participation in social and political life. To entertain anything less would be as big a mistake at home as it would be for Australia’s international relations.



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RISE

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