

China's employment of soft power

As its economic and military power has risen, China has astutely and assiduously extended its geopolitical sphere of influence in the Indo-Pacific region, from Africa and the Arabian Sea, via the 'String of Pearls'¹, to the South Pacific. To do so, it has employed soft power – economic trade, investment and aid; political influence; the Asian Infrastructure Investment Bank; and the 'One Belt, One Road' initiative, which is a massive project developing and linking a string of Chinese trading posts and ports along the historic land and ocean silk trade routes radiating out from China. China also is using bullying tactics and civil, paramilitary and military force to extend its national boundaries where opportunity arises, as in the South China Sea and on the Tibet/India/Bhutan border (the current Doklam plateau military standoff).

Australia is being progressively drawn into China's geopolitical sphere of influence. China is now our major trading partner and we have joined China's Asian Infrastructure Investment Bank, but apart from the port of Darwin (of which more later), we have not joined the One Belt, One Road initiative. Yet, it is not a comfortable relationship, as we share different values – Australia is a liberal democracy; China is a communist party dictatorship/economic oligarchy.

In recent months, China has emerged as a direct threat to Australia's national security. China's astute employment of soft power in our neighbourhood is not new, but its provision of election funding to both major Australian political parties has only recently come to light. Previously, the source of these donations had been disguised – being made through wealthy Chinese-Australians. It has now been revealed that these donors have links to the Chinese Community Party/surrogates. The clear danger is that Beijing will seek to leverage such donations to control the political agenda in Australia on issues of importance to Beijing. The banning or stringent transparent control of foreign political donations is long overdue.

This development puts a new perspective on other recent developments, such as the Northern Territory government's recent 99-year lease of the strategic port of Darwin to the Chinese-owned company, Landbridge Group, not least because the lease was opposed by the United States government and some Australian defence analysts, but went ahead anyway; and also because Landbridge subsequently employed a former Australian trade minister as a consultant.

¹The 'String of Pearls' refers to the network of Chinese military and commercial facilities and relationships along its sea lines of communication from the Chinese mainland to Port Sudan. The sea lines run through several major maritime choke points – such as the Mandeb, Hormuz, Malacca and Lombok Straits – as well as other strategic maritime centres in Somalia, Pakistan, Sri Lanka, Bangladesh, and the Maldives.

The political funding issue reinforces growing concerns over the Chinese Communist Party's apparent wresting of editorial control of Chinese-language newspapers in Australia from independent owners through manipulation of the advertising dollar; and the Chinese embassy's practice of closely monitoring and influencing the views expressed by Chinese students studying at Australian universities. Indeed, many of the 150,000 visiting Chinese students are reported to be importing a pro-Beijing approach to the classroom that is stifling debate and openness (Varrall 2017).

The Chinese embassy's rapid organisation of demonstrations by up to 10,000 Chinese tertiary students in Canberra, many bussed in from Sydney and Melbourne, to oppose pro-Tibet protesters during the Beijing Olympics torch relay in 2008, exemplifies the influence China can have on our polity.

We have previously drawn attention to Australia's reduced influence in the South Pacific and the growing influence of China (Matthews 2017). There is now a risk that China's activism could generate destabilising competition with the United States, with flow-on effects on Australia's security relationship with the United States and economic relationship with China (Wallis 2017). Wallis (2017) also points out that investment by China runs the risk of destabilising recipient states. In the event of serious instability or conflict, Australia would be obliged to respond, which raises questions about whether China would intervene to protect its interests and whether Australia would be up to the challenge.

Finally, Australia's economic relationship with China is both a great strength and a serious weakness. China took 32 per cent of our exports and supplied 22 per cent of our imports in 2016. But we are of much less importance to China – we supplied 4 per cent of China's imports and took 2 per cent of its exports in 2016. By use of the economic lever, China could bring great pressure on Australia during any dispute, but Australia's economic leverage with China would be minor by comparison. From a security perspective, therefore, we must prioritise the diversification of our trade and investment in critical Australian industries.

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References

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