

*2021 Sir Hermann Black Lecture*  
*2021: the year in review*



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*The autocratic and aggressive demonstration of Chinese political and economic foray into global and regional affairs in the recent decade is symbolic of a fascist regime. China's actions to not adhere to the agreed international order are detrimental to the aspirations, development, and progress, especially of the nations in the Indo-Pacific and the Asia-Pacific regions. Australia has taken a principled stand based on democratic values and just international order; ensuring that our national security, the freedoms, and liberties our societies cherish are not compromised. In the recent decade, a decisive collective political will by Australia has driven the responses to face the coercive challenges engineered by China in the Indo-Pacific region.*

**Key words:** democracy; authoritarian; autocratic; dependency; Huawei; Huawei 5G telecommunications network; Indo-Pacific; Asia-Pacific; Pacific; Quad; AUKUS.

In my recent book *'Red Zone'* (Hartcher, 2021), I quoted Scott Morrison, the Prime Minister of Australia stating, "An Australian prime minister at the moment has got a lot to worry about. I worry about the pandemic, about the threatening recession and depression, and I have to worry about China. The thing I worry about most of all and spend most time worrying about is China. I think we will see that the other two were temporary challenges, and the China challenge is going to be an enduring one".

**Australian Political Stance on China - Prime Minister Paul Keating Era**

Australia has come a long way in our relations with China and Australia's own place in the world. A few years ago Paul Keating, the former Prime Minister of Australia represented the mainstream viewpoints of our society and Australia's position with China. Keating's long-standing view from the time he was the Prime Minister to date has been that China is a great rising power that is naturally entitled to greater strategic space; and therefore as it rises the other countries of the Asia-Pacific, and the US in particular should step back and allow China their increasing strategic space. Strikingly, Keating does not mirror the statement for another great rising power in Asia with the same sort of population and a similar, now a much faster economic growth trajectory, and that is India. Similar opinions stating India is a rising power and that other nations have to provide India the natural strategic space to expand; or that Pakistan and/or China have to step back and let India flourish are seldom stated or heard.

In retrospect, the Chinese Communist Party has

to be given credit for promulgating with great effect over the last 70 years, particularly in the last 40 years that they are masters of global propaganda, which facilitated Keating and Bob Carr, latter an erstwhile Premier of New South Wales to view China favourably.

In 2017, in my meeting with the Secretary of a major Australian federal government department, I had asked the Secretary about the ongoing debate within the then Turnbull government on allowing or banning the Chinese Huawei telecommunication network in Australia; and on the lobbying by Huawei to get the contract to install their 5G telecommunications system in Australia. The Secretary stated that it was not as much to do with espionage that was a minor concern; it was more the fact that if Huawei was to operate the Australian 5G system, Huawei could shut down the network at a time of Beijing's choosing and instructions, following which Australia would be left vulnerable in a time of crisis without a central nervous system. The Secretary opined that the Australian political will, will dictate the decision to be taken on the issue. Fortunately since, Australia has stepped-up politically in facing and confronting the Chinese meddling in the Australian polity and society.

**China of Chairman Deng Xiaoping and President Xi Jinping**

In 1985 the Chinese leader Chairman Deng Xiaoping was *Time* magazine's 'Man of the Year'. That was the reform era where Xiaoping's political and societal policies dominated and allowed un-hindered economic reforms and market economy to

proceed and flourish. Along with the economic reforms there was an explosion of cultural and social change, and experimentation. The Chinese called it “cultural fever”. There was much new focus and emphasis in literature, arts and academia. That was when mainland China produced its first rock & roll star. However, that was also the era when the Tiananmen Square event was a set-back for the Chinese Communist Party.

Linda Jaivin, the Australian Sinologist wrote in her recent book on China ‘The Shortest History of China’, about the young generation of China, that “If their parents were raised on class struggle, their older siblings tempted by dreams of democracy, the post-Tiananmen generation of Chinese are weaned on an aggrieved nationalism and a promise of economic opportunity under Xi Jinping” (Jaivin, 2021). We now see that aggrieved nationalism is what the President of the Peoples Republic of China Xi Jinping is trading on. In his first meeting as the President with the State Council, Jinping was paraded in full glare of the media on a public tour of an exhibition in the national museum in Beijing on the subject of China's century of humiliation. The other thing Xi Jinping has done as stated by Linda Jaivin is the promise of economic opportunity.

While Jinping pursued on the aspect of aggrieved nationalism gradually, the economic opportunity has shrunk especially in the last 12 months. The cause for the economic contraction is not entirely because of the COVID-19 pandemic, but due to policy crack-down in 2020 on private capital, which the Chinese Communist Party calls the ‘disorderly expansion of capital’. Recently, a senior official in Beijing spoke about rallying against what he called ‘barbaric capital’, thereby building the case for why the private sector and the big technology companies have to be brought under Party control and reigned in. The crackdown on Chinese technology companies in particular has been humiliating to China's biggest, richest and most celebrated capitalists and entrepreneurs.

### **Australia's Trade Dependency on China**

Kurt Campbell, President Joe Biden's Coordinator for the Indo-Pacific, called Biden's ‘Indo-Pacific Tsar’ within the White House press, stated recently that those in US policy circles considered “Australia was the country most likely to flip from the western camp into China's sphere of influence” (Campbell, 2021). The reason for the statement was that Australia was more dependent on the Chinese market than any other western country. Just before the COVID-19 pandemic, Australia was depending on China for 48% of its export revenue. Australia has not been that dependent on any one country since Britain

dumped us and joined the common market in 1973. Australia has since not learned the dependency lesson well enough, and has become dependent on one country again, China. China is a country we do not know much about, whose complex political system we still fully do not comprehend, a language we are not familiar with, and a leader in Xi Jinping we know very little about.

A year into the COVID-19 pandemic, Australia's export dependency on China has gone from 48% to well over 50%. Recently it was up to 57% because of the collapse of other economies while the Chinese economy was still growing. During this period, the trade sanctions imposed by China on Australia have cost the Australian economy between \$20 to \$50 billion a year. Despite the trade sanctions levied by China, Australia's economic dependency on China is still growing. Fortunately, Australia has stood firm economically and not flipped to the Chinese sphere of influence, and abandoned the west and the US alliance as anticipated by Kurt Campbell.

### **China's Interests in Australia**

Chen Yonglin, the Chinese diplomat in the Sydney Consulate who sought political asylum in Australia in 2005 stated then that the Chinese government leadership intended long-term infiltration plans into Australian politics and government because Australia was viewed as the weak link in the western camp (Yonglin). That was a collective decision of the Chinese government leadership long before Xi Jinping became leader of the Chinese regime. If the Chinese attempts succeeded, it would demonstrate that a close US ally was prepared to leave the US camp and move to the Chinese sphere of influence; bringing with it crucial strategic assets such as the Pine Gap base near Alice Springs holding the US early missile warning system, and the Harold Holt base near Exmouth in Western Australia essential to US communications with their submarines. Besides, Australia being a continental land mass, its strategic position between the Pacific and Indian Ocean, its political and diplomatic footprint, its closeness to Indonesia, Papua New Guinea, its influence along the global trading route through the Strait of Malacca and its influence and access to Antarctica have significant long-term strategic value to Chinese national interests.

In the Antarctic, the Chinese government is building a pseudo-scientific base; as also there are plans to operate in space including having a permanent base on the moon. These plans involve illegally acquiring and building over core scientific and technological achievements of the US, Russia and other developed nations.

Another reason for Australia being targeted is

because Australia is essential to the Chinese objective of attaining hegemony in the Pacific, the Asia-Pacific and the Indo-Pacific. For the same reason, countries in the European Union and even NATO identify China as the greatest strategic threat to their respective national, political, economic and security interests. Political and security alliances across the democratic world have had the same realisation that the judgment China made, that Australia being essential to the Chinese goal of Pacific hegemony can apply globally to their respective regions in the future.

### **United States - China Equation**

Eldridge Colby, the lead author of the US national defence strategy in 2018, explained the logic behind that US national defence strategy, in having identified China as the primary strategic threat to current and future US national interests (Colby, 2018). Colby has described the essence of the Chinese threat as being its ambition for hegemony in the Pacific, the Asia-Pacific and the Indo-Pacific regions. Colby states that the US has to deny hegemony to China because hegemony over the Asia-Pacific region, particularly with its weightage and impact on the global economy, is the only conceivable way that China could generate enough geopolitical, economic and diplomatic power to coerce and dominate the United States.

### **China's 14 Demands on Australia**

To ease the trade sanctions on Australia and resume regular trade, the Chinese government put forth 14 demands in November 2020. The sanctions were Australia-specific, seemingly to tame and discipline Australia and impact on our sovereignty, and not intrinsically on the trade aspect. Adhering to the 14 demands would entail Australia handing over to China, control of our foreign investment regime and corresponding laws, telecommunications laws, foreign interference and espionage laws, visa policy and other governance aspects. Also, Australia would have to muzzle its media, *i.e.*, curtail the freedom of press and free speech, censor statements of our democratically elected political representatives, and particularly be not critical on any commentary on China. Australia would also have to abandon the international treaties that it has ratified on the rights over flights and navigation. As expected, an established democracy that is Australia has stood firm in the principled stand taken which was supported by the opposition Labour Party in the federal parliament.

Rush Doshi, a previous China specialist at the US Brookings institution (and is now in the Biden White House as the China Section Head on Biden's National Security Council) at the time of those 14

demands stated, "the deployment of coercive economic leverage to shape Australia's internal behaviour is a kind of illiberal order building; the list of 14 demands is a partial guide to the norms of that illiberal order" (Doshi, 2021). It was the Chinese Communist Party blueprint for what countries, *i.e.*, all countries should pursue to engage with China. It is gratifying to note the solidarity with which Australia has rejected those demands and stood firm regardless of the unscrupulous Chinese efforts to influence opinion in Australia. Rather than Australia wilting to the Chinese intimidation, Prime Minister Scott Morrison provided copies of the 14 demands to the leaders of the recent G7 meeting in England, to which Australia was invited by President Emmanuel Macron of France. The G7 leaders expressed their astonishment at the nature and the sheer effrontery of the Chinese government's position.

### **Australian Stance on China - Current Era**

In the years since 2013, the Australian Liberal-National government under Prime Minister Malcolm Turnbull (in which the current Prime Minister Scott Morrison was the Treasurer) banned Huawei, the Chinese state owned behemoth 5G network telecommunications company, introduced the espionage and foreign interference laws, enacted a political freeze of top level political contact with Beijing, and called for an independent inquiry into the origins and the cause of the COVID-19 pandemic.

During this period, Australia continues to be one of the four members of the Quadrilateral (Quad) security dialogue and arrangement, elevated for the first time recently to summit level by President Joe Biden. The Quad leaders of United States, India, Japan and Australia held its first summit-level meeting in September 2021.

Australia is one of the three countries to initiate and create in 2021 the AUKUS (Australia - United Kingdom - United States) security alliance and pact, an alternative source for the Australian future sphere of influence, and an emphatic re-statement of confidence and dependence on the US as well as the UK for regional security in the Indo-Pacific and the Pacific. AUKUS demonstrates a fundamental and decisive repudiation of China and its aggressive and domineering foray in the Pacific region. To this end Prime Minister Morrison announced following the AUKUS pact that defence spending in Australia, currently hovering at around 2% of GDP will go beyond the 2%.

Australia is one of the five countries so far to impose a diplomatic boycott of the Beijing winter Olympics.

Prime Minister Morrison declared a 'Pacific Step-up', which involve the Australian government initia-

ting and implementing policies to counter Chinese intrusions, manipulations and influence in the South Pacific region (Department of Foreign Affairs and Trade (DFAT), Government of Australia).

On 12 December 2021, Australia, Japan and the United States announced laying and financing an undersea high-fibre internet cable to connect three Pacific island countries, negating potential attempt by the Chinese Huawei network to contract and undertake the project.

The Australian government has vehemently resisted Chinese influence in Australia in a bipartisan manner, by both, the Liberal-National and the Labor parties. The credit for the political alliance goes to the Australian public, who in many forums across the social fabric have expressed concern over Chinese influence, dominance and attempts to coerce the Australian voters and values.

President Joe Biden had stated that democracy needs champions. To this end the United States has effectively championed against the autocracies of China and its increasingly close ally Russia. Herein, Australia is one of the leading champions of democracy in the face of rising authoritarianism.

Prime Minister Scott Morrison drew parallels between the catastrophic economic collapses in the 1920s, 1930s and 1990s, which thereafter were followed by the rise of global fascism. Today the parallels are evident, especially by the rise of a fascist government like China's. When I used that description in print a few years ago I was flattered when the Chinese foreign ministry held a press conference to call for my immediate sacking. Unlike in China, in Australia and in like-minded democracies across the globe, we value, inculcate, preserve and protect our democratic values, especially the freedom of our independent media and our press.

## Conclusion

President Joe Biden of the United States stated that "securing democracy is the defining challenge of our time". Australia by happenstance finds itself on the front line of this challenge confronting the world's biggest and most assertive authoritarian state.

Australia's responses to an autocratic, imperialistic and hegemonist China have been principled, rational, just and stoic in the face of intimidation. Our ongoing alliances with the US, UK, Japan, India and other democracies are constantly evolving and solidifying for freedoms and security in the Asia-Pacific, Indo-Pacific and the Pacific regions; regions which ensure our national security and the capability to defend ourselves.

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