



Is there a problem with....

Australia's China narrative?

By Stephen FitzGerald and Linda Jakobson

Australia's China policy is flawed. Diplomatic relations between Canberra and Beijing are strained, to the extent that Australia's prime minister and foreign minister have not been welcome to visit the People's Republic of China (PRC). Yet at a time when Australian leaders have been frozen out, leaders from countries experiencing far more serious issues with the PRC than Australia have been visiting Beijing.

The poor state of the relationship is a result not so much of what Australia has done as what Australia has said and signalled.

The PRC has become more assertive, a consequence of the increase in its economic, political and military power. But the Australian government has mismanaged its reaction.

The poor state of the relationship is a result not so much of what Australia has done as what Australia has said and signalled.

Australia needs a robust and realistic policy to respond to this assertiveness, to ensure that Australia is not marginalised as the PRC strives toward its goal of being the dominant power in the region. For that policy to take shape, however, there must be a narrative, a clear and comprehensible story line that shows the way forward. It must explain why, despite our likes and dislikes, we have to get along with the PRC. This is imperative for Australia's security and prosperity. Politicians and business leaders need to have the courage to spell this out, as well as both the positives and negatives about our relations with the

PRC. The narrative that we have now has lost relevance because it approaches the PRC as if it was still part of yesterday's regional order rather than as the soon-to-be dominant power in the current, dramatically transforming region.

This policy brief charts essential characteristics of a frank China narrative for Australia, and makes several recommendations.

Obviously, Australia's relationship with the PRC will depend on how the PRC evolves, but Australia's narrative must be grounded in the realities of the PRC itself and take into account the Communist Party of China's (CPC) own projections for the PRC. A plausible goal set by the CPC stipulates that the PRC population (or most of it) will become moderately well-off by 2049, which means Australia must assume the PRC will be even more powerful and have at its disposal the means to be even more assertive than it is today.

Australia must also assume, as a starting point, that the PRC by the mid-21st century will not adopt Western-style democracy; will not experience regime change or civil war; will crack down on dissent; will not be humble; will not abandon its ideas of Chinese exceptionalism and China's place in the world; and will pursue unification with Taiwan. It will also not have military ambitions to invade Australia.

A realistic narrative must address the **positives**, which include the PRC's important role in Southeast Asia. Had it not been for the PRC's choice of policies, Australia's neighbourhood could look markedly different. Southeast Asian nations, with their religious, ethnic, and political diversities, have had the benefit





of the PRC's economic dynamism, contributing to their success in averting the type of instability the Middle East, for example, has experienced. Since the 1990s, the PRC's economic power projection, coupled with deliberate (and self-interested) policies to support Southeast Asian economies, has assisted the region to avoid intra-regional strife and failed states. Australian living standards are dependent on a stable and economically vibrant region. As the PRC becomes an increasingly middle class society, Australian living standards will become even more dependent on this stable prosperous ballast astride the region.

In hard power terms the PRC will assume an increasingly central role to ensure that sea lines of communication remain open, an obvious essential for all trading nations, the PRC and Australia included.

Australian ministers often begin a statement about the PRC by noting that it is our largest trading partner, but provide few details. The resource and tourism sectors are not the only beneficiaries of the PRC's rise. Australia's education, research, agriculture, infrastructure, health care and aged care sectors have likewise benefited or will benefit.

A narrative...must explain why, despite our likes and dislikes, we have to get along with the PRC.

The positives also include the huge PRC investment in science and technology and the scientific strides it is making in, for example, the medical and renewable energy sectors. Everyone, including Australians, will benefit from these. In 2015 the first PRC national to win the Nobel Prize in Medicine developed a novel therapy against malaria. Cancer cures and environmental innovations developed in the PRC will change the lives of Australians.

On the **negatives**, a stronger and more confident CPC means more resources to try to influence, at times illegally, the Chinese diaspora, PRC permanent residents, PRC international students and PRC-friendly groups in Australia. Based on open sources

we know of incidents in which the PRC has infiltrated the telecommunications networks of Australian government institutions; used cyber attacks to access commercial information from Australian businesses; influenced stances taken by academics and PRC international students at Australian universities; forced PRC citizens wanted for alleged crimes to return to the PRC; pressed politicians to endorse its foreign policies; and mobilised Chinese Australians to speak up for causes dear to the PRC government.

As the PRC's power grows it will be more prone to browbeat smaller neighbours when they do not adhere to Beijing's wishes. It will be inclined to evade, bend or reshape generally accepted rules and norms, and challenge the implicit acceptance of universal human rights. The risk of corrupt practices and self-censorship creeping into our society will likely increase.

A **realistic China narrative** must spell out confident strategies to deal with this giant power. Unacceptable PRC government interference in our society must be met head on. Yet, in-your-face public confrontation is counterproductive, as we have witnessed over the past year. Statecraft and low key but intensive diplomacy are needed. We must also condemn, both behind closed-doors and in public, human rights abuses that occur in the PRC. This is different from lecturing the PRC on the virtues of democracy. To be effective, human rights issues must be raised by our senior government leaders with their counterparts, rather than by public servants.

In public we need a narrative that acknowledges the increasing dominance of the PRC while at the same time explaining what kind of region we seek, rather than what we don't want. We need stronger multilateral cooperation in Southeast Asia via bilateral and multilateral initiatives that focus on shaping the form of the PRC's integration in the regional order. We should initiate new regional frameworks that tie China in with the region for common benefit – for example one that focuses on Asian food security.



Can we influence the PRC? We must acknowledge the difficulty of having influence with big powers. But a China narrative should emphasise the need to cooperate and point to instances when that has been possible.

The narrative must explain that to influence both PRC thinking and the course of our relationship, our political leaders need to devote much more time to the PRC relationship than they have done. They must visit the PRC often; continuously pursue face-to-face engagement to solicit detailed information about PRC objectives and policies; and seek to identify matters in which our interests align with the PRC's. These include the Belt and Road Initiative (BRI); development aid projects in Southeast Asia and the South Pacific; and the aforementioned Asian food security initiative.

A credible Australian China narrative cannot dodge the complexity of Canberra's relationship with Washington. The prime minister has stated that Australia does not view the PRC as a threat. The United States has equally clearly, in its recent National Security Strategy, stated that it views the PRC as a threat. A new narrative must explain what this fundamental difference actually means for our relations with both superpowers. When Australian leaders say, 'we do not have to choose' (between the PRC and the United States) in reality they mean, or should mean, that Australia will not make or be forced into choices which damage our major relationships, regardless of the stance of either the United States or the PRC. This aspect of an independent foreign policy must be explained clearly to the Australian public.

Another issue that must not be avoided is the reality today of a rules-based order. As a small country Australia must care about international rules, and demonstrate this consistently and not ignore rules when it suits. The PRC has by-and-large abided by prevailing international rules and norms as it has integrated into the international order over the past four decades. But now it wants to alter some of the rules more to its liking, as large powers do. A realistic China narrative would confront the fact that in the PRC's neighbourhood, our neighbourhood, we have failed to 'socialise' the PRC to 'our' rules. Instead we are trying to force the PRC to follow our rules. A China narrative must explore paths to engage with the PRC, on the basis of give and take, to find mutually acceptable rules that all will abide by.

When Australian leaders say, 'we do not have to choose' (between the PRC and the United States) in reality they mean, or should mean, that Australia will not make or be forced into choices which damage our major relationships.

The prime minister and foreign minister have both stated that Australians do not wish to live in a region where '**might is right**', and that Australian interests are best ensured in a rules-based order. Both aspirations hold true. But are they realistic? 'Might is right' has been used by Australian political leaders as a veiled attack on actions by the PRC. But as the US itself under Donald Trump moves away from a rules-based order towards greater unilateralism and a power-based order, Australia needs a China narrative to reflect the uncertainties which arise from this transition.¹

Previous briefs in our series *China Matters Explores*:

- 'Is there a problem with Chinese International Students?' by Dr Bates Gill and Ms Linda Jakobson.
- 'Is there a problem with PRC aid to the Pacific?' by Dr Graeme Smith.
- 'Is there a problem with Confucius Institutes in Australia?' by Mr Jackson Kwok.

Previous editions of *China Matters Explores* can be found at <http://chinamatters.org.au/public-outreach/policy-brief>

What does this mean for Australia? Recommendations

- The Australian government must have a realistic, candid China narrative to explain to Australians why we must get on with the People's Republic of China, regardless of our likes and dislikes, and how we plan to do so.
- It must address why Australia needs to maintain robust domestic and international security policies and a positive, constructive relationship with the PRC.
- It must explain why we seek a relationship with the PRC equivalent to that which we have with other major powers.
- It must explain that by about 2030 the PRC will most likely be economically more powerful than the United States, and that this will fundamentally change the foundations of Asia's strategic order, as the PRC exercises more power and influence.
- Our leaders need to say this out loud. A new narrative must provide a guide for how we can start trying to shape this order to our advantage.
- The government should ask a small panel of business leaders and China specialists, trusted by both sides of politics, to jointly draft this narrative (succinct, approximately 10 pages), based on consultations with a wide array of individuals with diverse expertise and backgrounds.
- The intelligence and security agencies must provide the panel members, and the public, with facts of what the PRC government does to interfere in Australian society.
- This narrative must then provide the basis for developing Australia's China policy and serve as a guide for politicians and public servants to explain the PRC to the public.



Professor Stephen FitzGerald was Australia's first ambassador to the People's Republic of China. He chairs the Board of Directors of China Matters.

Ms Linda Jakobson lived and worked in the PRC for 22 years before moving to Sydney in 2011. She is founding director and CEO of China Matters.



China Matters welcomes your ideas and involvement.

This policy brief is published in the interests of advancing a mature discussion on Australia's China narrative. China Matters seeks engagement from interested parties to secure the implementation of the policy recommendations specified in this brief. Our goal is to influence government and relevant business, educational and non-governmental sectors on this and other critical policy issues.

We welcome alternative views and recommendations, and will publish them on our website. Please send them to ideas@chinamatters.org.au.

For endnotes, please visit our website chinamatters.org.au.