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*Policy Brief - Responding to the issue of Confucius Institutes in  
Australia*

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## 1. EXECUTIVE SUMMARY

- 1.1 This policy brief examines the present degree of influence and control exerted by China through its Confucius Institutes (CI), with the objective of outlining proposals to responding to threats posed by CIs, conducting critical analysis on existing proposals, and offering an alternative set of responsive approaches. China has been observed using CIs as a means of spreading propaganda in painting the Chinese Communist Party (CCP) in a favorable light, advancing an alternative narrative on historical and political issues, limiting freedom of expression amongst its students, and acting a forward operating base for the CCP to exert influence.
- 1.2 The prevailing policy as presented by Mr. Jackson Kwok within his Policy Brief *Is there a problem with... Confucius Institutes?* <sup>[2]</sup> seeks to counter China's increasingly aggressive soft power initiatives through its CIs by advocating for transparency in dealings between CIs and universities, improving policy coordination through the creation of a Code of Conduct between Australian universities, and increasing university autonomy. However, these policy suggestions leave universities vulnerable to foreign influence, is overly optimistic, and risks jeopardizing Australia's national security.
- 1.3 Instead, what is required in addressing the threats posed by CIs is a pragmatic approach which recognizes the opportunity for the development of an indigenous Chinese language capability in the absence of CIs, acknowledges that China will never adhere to a voluntary set of guidelines in good faith, and realizes the importance of cooperation and coordination between the government and universities in preserving economic interests and national security.

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<sup>[2]</sup> Jackson Kwok, 'Is there a problem with Confucius Institutes' on China Matters (May 2018) <<http://chinamatters.org.au/public-outreach/policy-brief-may/>>.

## 2. INTRODUCTION

- 2.1 On 8 May 2018 it was announced that the New South Wales government was reviewing its relationship with the controversial Chinese government sponsored language organization. The scope of this review concerns the CIs initiative to teach mandarin throughout 13 public secondary schools throughout the State under an initiative known as Confucius Classrooms.<sup>[3]</sup> This resulted in the postponing of a Chinese government-funded travel program for NSW school principals to visit China, as the government seeks to ensure that there are no inappropriate influences from foreign powers.<sup>[4]</sup> It is anticipated that this event heralds a wider government inquiry into the influence and control exerted by China within Australia's tertiary institutions.
- 2.2 This intensification of government scrutiny into the activities of CIs follows upon the notable deterioration in Sino-Australian relations following the watershed revelations of an ABC News Four Corners investigative report in June of 2017. The contents of the report brought to wider public attention the overbearing scope of China's influence and control operations across Australian society, targeting politicians, academics, and ethnic Chinese.<sup>[5]</sup> Further to this, the Turnbull government in December 2017 proposed a series of Bills to amend the scope of foreign influence laws, following upon growing public anxiety over China's influence and reach throughout Australian society and academia.<sup>[6]</sup>
- 2.3 While Mr. Jackson Kwok's policy brief of May 2018<sup>[7]</sup> proposes that universities assume cooperative measures with other universities to curtail the influence of CIs, anticipating the alleged increasing assertiveness of the CCP and its international soft power initiatives, he fails to consider the inherent soft power identity of universities, unrealistically anticipates China's cooperation or passivity in the enacting of his recommendations, and misconstrues the need of governmental support for universities.

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<sup>[3]</sup> Sarah Gerathy and Danuta Kozaki, 'NSW Government reviews Confucius Classrooms program amid propaganda concerns' on ABC News (8 May 2018) <<http://www.abc.net.au/news/2018-05-08/nsw-government-reviews-confucius-classrooms-program/9739396>>.

<sup>[4]</sup> Tara Francis Chan, 'An Australian state is 'reviewing' its relationship with China's controversial Confucius Institute over fears of covert foreign influence' on Business Insider (9 May 2018) <<https://www.businessinsider.co.za/new-south-wales-reviewing-confucius-classrooms-2018-5/>>.

<sup>[5]</sup> Nick McKenzie et al., 'The Chinese Communist Party's power and influence in Australia' on ABC News (4 June 2017) <<http://www.abc.net.au/news/2017-06-04/the-chinese-communist-partys-power-and-influence-in-australia/8584270>>.

<sup>[6]</sup> Henry Belot, 'Malcolm Turnbull announces biggest overhaul of espionage, intelligence laws in decades' on ABC News (5 December 2017) <<http://www.abc.net.au/news/2017-12-05/turnbull-announces-foreign-interference-laws/9227514>>.

<sup>[7]</sup> Kwok, above n2.

- 2.4 Mr. Kwok outlined how Australian academic institutions must adopt principled pragmatism in safeguarding academic freedoms, to avoid outright termination of their agreements with CIs, and to coordinate with other academic institutions in unilaterally adopting a set of recommendations which seeks to forestall anticipated government scrutiny. Overall, these recommendations may be interpreted as a bid to increase the autonomy of tertiary institutions; a measure which will ultimately jeopardize their academic integrity and diminish their capacity to resist foreign influence.

### 3. EXISTING POLICY RECOMMENDATIONS

- 3.1 In his concluding remarks, Mr. Kwok advanced a series of policy recommendations aimed toward Australian academic institutions for their unilateral implementation, and which sought to diminish the influence and authority of CIs through a variety of passive measures. These included:
- 3.1.1 The creation of a working group of independent experts to review CI contracts with universities;
  - 3.1.2 Making university agreements with CIs publicly accessible;
  - 3.1.3 Introducing student surveys to assess the programs of CIs;
  - 3.1.4 Annual reviews of each CI by independent university faculty members;
  - 3.1.5 The development of a uniform code of conduct to outline terms of agreement between universities and foreign governments;
  - 3.1.6 Universities maintaining a control of the composition of the boards of their CIs; and
  - 3.1.7 Universities should avoid incorporating CIs into their China studies department.
- 3.2 Accordingly, such recommendations were a reflection upon a similar set of policy recommendations advanced by Bates Gill and Linda Jakobson in 2017 which addressed the growing threats to freedom of expression and academic integrity posed by PRC students on university campuses. This was premised upon encouraging Go8 university leaders to convene regularly with the Department of Education to discuss cooperation on the challenges of PRC students, increased dialogue with PRC consulates, and the formation of a code of conduct to counter harassment and bullying of lectures by PRC students. <sup>[8]</sup>
- 3.3 The substance of both articles from China Matters overwhelmingly advocates that university autonomy must be maintained and declares that Australia must avoid the precedent set by the US, where CIs and universities are presently under intense government scrutiny. <sup>[9]</sup> These overwhelmingly support the complete autonomy of universities from governmental influence, and state that the decision whether to extend or terminate an agreement with the China's Office of Chinese Language Council International (Hanban) is a university's alone to make. <sup>[10]</sup>

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<sup>[8]</sup> Bates Gill and Linda Jakobson, 'Chinese International Students?' on China Matters (21 September 2017) <<http://chinamatters.org.au/wp-content/uploads/2017/09/China-Matters-Recommends-Sept21-Chinese-international-students.pdf>> 4.

<sup>[9]</sup> Jodi Xu Klein, 'US lawmakers seek to force Confucius Institutes to register as foreign agents' on South China Morning Post (22 March 2018) <<http://www.scmp.com/news/china/article/2138313/us-lawmakers-seek-force-confucius-institutes-register-foreign-agents>>.

<sup>[10]</sup> Jackson Kwok, 'Confucius Institutes and the challenge of academic freedom' on The Lowy Institute (11 May 2018) <<https://www.loyyinstitute.org/the-interpreter/confucius-institutes-and-challenge-academic-freedom>>.

#### 4. REVIEW OF MR. KWOK'S POLICY RECOMMENDATIONS

- 4.1 Mr. Kwok's list of policy recommendations fails to recognize the severity of threats directed against Australia's national security, a significant percentage of which arises from the numerous and multifaceted strategies already-employed by the Chinese government through its influence-and-control operations. In addressing Mr. Kwok's list of recommendations, several objections may be advanced.
- 4.2 Firstly, Mr. Kwok implies that any initiative by the federal government to spearhead efforts in replacing the potential gap which would be left by the withdrawal of CIs in Australia would be beyond its means, in amounting to "millions of dollars". Foremost, we as a nation cannot afford to place such a meagre price upon the cost of education, yet alone our collective national security. It is evident that the conflated exorbitant costs of Chinese language education, in the absence of CIs, are hyperbole. With 13 CIs operating within Australian universities, and 14 in total throughout Australia,<sup>[11]</sup> and factoring in the estimated cost of activities conducted by CIs amounting to \$1 million in cost savings per a given university over 5 years, the projected cost to the federal government to replace CIs and independently fund a comparative Chinese language program would prima facie amount to \$14 million over 5 years.<sup>[12]</sup>
- 4.3 Further, the government's capacity to preside over a comparable language program is reinforced by their ongoing efforts to build a Chinese language capacity in Australia. Between 2008 to 2016 the number of students learning Chinese in Australian secondary schools doubled to 172,832 because of direct funding through the federal government National Asian Languages and Studies in Schools Program,<sup>[13]</sup> which amounted to \$62.4 million spread over 4 years.<sup>[14]</sup>
- 4.4 Consequently, the absence of CIs provides opportunities for the Australian government to support the domestic economy while rebuilding trust with the Chinese-Australian community, and the one million Australian's of Chinese ancestry,<sup>[15]</sup> by promoting the emergence of independent Australian-based Chinese language institutions. Indeed, it is more appealing for the government to pursue this strategy than to forfeit

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<sup>[11]</sup> Jeffrey Gil, 'Dragon in the room: who's afraid of Confucius Institutes?' on AsiaTimes (21 December 2017) <<http://www.atimes.com/dragon-room-whos-afraid-confucius-institutes/>>.

<sup>[12]</sup> John Fitzgerald, 'Unis could bide their time and escape the long arm of Beijing' on The Australian (3 March 2018) <<https://www.theaustralian.com.au/news/inquirer/unis-could-bide-their-time-and-escape-the-long-arm-of-beijing/news-story/202b5b9462af59a9f38f57aace13b7b8>>.

<sup>[13]</sup> Jane Orton, *Building Chinese Language Capacity in Australia* (Australia-China Relations Institute, 2016) <<http://www.australiachinarelations.org/content/building-chinese-language-capacity-australia-0>> 16.

<sup>[14]</sup> Greg Jericho, 'The lost decade: learning Asian languages' on ABC News (30 November 2011) <<http://www.abc.net.au/news/2011-11-30/jericho---the-lost-decade-learning-asian-languages/3702656>>.

<sup>[15]</sup> Alex Joske, 'Beijing Is Silencing Chinese-Australians' on The New York Times (6 February 2018) <<https://www.nytimes.com/2018/02/06/opinion/beijing-chinese-australians-censorship.html>>.

this sector of the education industry to a foreign entity with direct ties to the CCP. Considering the abundance of Chinese-speaking countries besides China, Australia may also consider that the gap left by CIs be filled by an institution whose government and values are more aligned with Australia's interests, such as Singapore or Taiwan.

- 4.5 Secondly, Mr. Kwok fails to understand that China already possess a significant and disturbing degree of influence within Australian universities. China's pervasive influence can be illustrated through its direct control of Chinese student associations, its established network of willing and voluntary informants, its surveillance of Chinese students, and its blacklisting of those whom oppose the CCP and its views. <sup>[16][17][18]</sup> Accordingly, it is uncertain how Mr. Kwok's proposed policy recommendations would fare against the overwhelming tide of China's influence and coercive measures detailed here without sufficient government attention and support.
- 4.6 Third, Mr. Kwok's proposition for Go8 universities to collaborate in the formation of a general code of conduct is overly-optimistic. There exists no guarantee that any formulated code of conduct, yet alone his list of policy recommendations, would be implemented or followed by universities without sufficient support, enforcement, leadership or initiative through legislative or executive means.
- 4.7 Further to this, there is no certainty that such measures will be favorably received or complied with by the CCP. China may simply respond by abruptly and unilaterally withdrawing the support offered by CIs to universities, or by employing defeat in detail in approaching and negotiating with each university on a bilateral basis and encouraging disunity among the Go8; a tactic of strategic patience which has likewise been deployed by China in the South China Sea against ASEAN and elsewhere. <sup>[19]</sup>
- 4.8 Furthermore, China's aforementioned extensive network of influence within Australian universities undercuts the effectiveness of the proposed policy recommendations, particularly where such

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<sup>[16]</sup> Rowan Callick, 'Chinese students taught to snitch on politically incorrect lecturers' on The Australian (1 September 2017) <<http://www.theaustralian.com.au/news/world/chinese-students-taught-to-snitch-on-politically-incorrect-lecturers/news-story/5cd4d2bc84ce0d976546706a23aeffe5>>.

<sup>[17]</sup> Nick McKenzie et al., 'Australian sovereignty under threat from influence of China's Communist Party' on ABC News (6 June 2017) <<http://www.abc.net.au/news/2017-06-04/australian-sovereignty-under-threat-from-chinese-influence/8583832>>.

<sup>[18]</sup> Josh Horwitz, 'Australian professors and universities are being shamed into apologizing for offending Chinese students' on Quartz (29 August 2017) <<https://qz.com/1064435/australian-professors-and-universities-are-being-shamed-into-apologizing-for-offending-chinese-students/>>.

<sup>[19]</sup> Sampa Kundu, 'China divides ASEAN in the South China Sea' on EastAsiaForum (21 May 2016) <<http://www.eastasiaforum.org/2016/05/21/china-divides-asean-in-the-south-china-sea/>>.



recommendations are premised upon non-binding transparency and confidence building measures which lack the effective authority or enforcement mechanisms often associated with legislative and executive actions.

4.9 Fourth, Mr. Kwok's recommendations overestimate the strength of Australian universities to withstand the influence and coercion levelled against it by a state actor. Academic institutions have in general proven themselves unable to withstand external influence without government support on numerous occasions. In August of 2017 it was revealed that Britain's Cambridge University Press had engaged in censorship following a request from Beijing, blocking hundreds of articles concerning such topics as the Tiananmen Square Massacre and the Cultural Revolution from being read online through its services in China. <sup>[20]</sup> Likewise, in November of 2017 the Academic publisher Springer Nature acquiesced to the Chinese government's request in blocking access to certain articles from within China. <sup>[21]</sup> This increasing pattern of academic institutions sacrificing their academic integrity in response to requests from the Chinese government, draws doubt upon the will of Australian academic institutions to uphold Mr. Kwok's policy recommendations in the face of Chinese pressure.

4.10 Fifth, Mr. Kwok's recommendations disregard the self-interested tendency of universities. Where the government affords Australian universities increased autonomy in their actions this consolidation of power, absent of public scrutiny, leaves room for universities to undertake questionable activities in furtherance of their financial situations. Herein Australia universities have repeatedly been demonstrated as prioritizing their individual interests over national security, with a \$100 million innovation partnership between the University of New South Wales and the Chinese government in September of 2017 raising concerns from academics and political analysts over the risks of technology acquisition and access to research with the potential for military use. <sup>[22][23]</sup>

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<sup>[20]</sup> Jethro Mullen, 'Shameful – Uproar after world's oldest publisher bows to China censors' on CNN (21 August 2017) <<http://money.cnn.com/2017/08/21/media/china-cambridge-university-press-censorship/index.html>>.

<sup>[21]</sup> Associated Press, 'Academic publisher Springer Nature bows to Beijing by blocking content in China' on South China Morning Post (1 November 2017) <<http://www.scmp.com/news/china/policies-politics/article/2118012/academic-publisher-springer-nature-bows-beijing>>.

<sup>[22]</sup> Anders Furze and Louisa Lim, 'Faustian bargain': defence fears over Australian university's \$100m China partnership' on The Guardian (19 September 2017) <<https://www.theguardian.com/australia-news/2017/sep/19/faustian-bargain-defence-fears-over-australian-universitys-100m-china-partnership>>.

<sup>[23]</sup> Clive Hamilton and Alex Joske, 'Australian universities are helping China's military surpass the United States' on The Sydney Morning Herald (27 October 2017) <<https://www.smh.com.au/world/australian-universities-are-helping-chinas-military-surpass-the-united-states-20171024-gz780x.html>>.

- 4.11 This has been also reflected by the ongoing situation between CIs and American universities, <sup>[24]</sup> where China's grip over the commercial interests of universities has manifested in four key ways. Firstly, colleges receive substantial financial support for hosting CIs. Second, key academic administrators find themselves suddenly in demand as speakers in China. Third, university administrators discover that China tightly controls the number of Chinese students permitted to enroll at a particular American college. Fourth, China offers the additional enticement to the college of opening an overseas program in China.
- 4.12 Finally, while Mr. Kwok's recommendations seemingly align with prevailing public interest and opinions of China, closer examination illustrates the growing insufficiency of such recommendations. During the 2017 Lowy Institute Poll, Australian public opinion revealed a growing degree of public anxiety regarding China. While 79% of respondents saw China as more of an economic partner than military threat, only 8% agreed that China is Australia's best friend in the world. Additionally, 84% identified China's foreign policies as an important or critical threat of Australia's vital interests, <sup>[25]</sup> while 46% agreed that it is likely that China will become a military threat to Australia within the next 20 years. These statistics reveal a growing anxiety over China's development as a superpower contender to the US, and that Australia's national security should be the primary consideration when engaging with China.
- 4.13 In brief, Australia's national security must be prioritized ahead of the economic interests of universities. Mr. Kwok's support for a university-headed response to CIs and China's broader influence and control within academia is misguided. The proposed voluntary non-binding transparency and confidence building measures to be advanced by universities bears little prospect for effective implementation and enforcement by universities, yet alone adherence by China.

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<sup>[24]</sup> Peter Wood, 'China's Pernicious Presence on American Campuses' on The Chronicle of Higher Education (26 February 2018) <<https://www.chronicle.com/article/China-s-Pernicious-Presence/242640>>.

<sup>[25]</sup> James Laurenceson and Simone van Nieuwenhuizen, 'Australian attitudes towards China and the United States' on Australia-China Relations Institute (23 June 2017) <<http://www.australiachinarelations.org/content/australian-attitudes-towards-china-and-united-states>>.

## 5. PUBLIC IMPACT

- 5.1 Following the revelations of China's influence-and-control operations, the Australian public has been overwhelmed by the extent of China's reach throughout the Australian government and society. This has manifested via the close relations existing between Chinese businessmen and Australian politicians, the increasing degree of pressure applied by the Chinese government upon Australian businesses, and mounting threats to freedom of speech within Australia's academic institutions.<sup>[26]</sup>
- 5.2 In direct response, the Turnbull government announced in December 2017 that his administration would spearhead proposals for a series of reforms to Australia's foreign influence and national security laws, in a bid to curtail the influence exerted upon Australia by all foreign actors. This effort has been supported by the ongoing review by the New South Wales government regarding the CI based within its Department of Education investigating the connections between CIs and the CCP, and the potential threat posed to the independence and integrity of the education system.<sup>[27]</sup>
- 5.3 The substance of the government's deliberation over foreign influence within Australian academic institutions was embodied within the Foreign Interference Transparency Scheme Bill<sup>[28]</sup> and Foreign Influence Transparency Scheme (Registration Charge) Bill.<sup>[29]</sup> These Bills will create a "foreign influence transparency scheme" requiring the registration of foreign nationals and agents whom participate in Australian politics on behalf of another nation, and will include reforms to commonwealth secrecy offenses to ensure law enforcement agencies have the necessary powers to investigate such offences.<sup>[30]</sup> While both Bills were considered by a multiple of legislative bodies, including the Parliamentary Joint Committee on Human rights and the Senate Standing Committee for the Scrutiny of Bills in February of 2018, as of present both Bills remain before the House of Representatives pending passage.

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<sup>[26]</sup> Nick McKenzie, 'China 'brazenly and aggressively' interfering with political systems' on The Sydney Morning Herald (22 March 2018) <<https://www.smh.com.au/world/asia/china-brazenly-and-aggressively-interfering-with-political-systems-20180322-p4z5ke.html>>.

<sup>[27]</sup> Rosemary Bolger, 'Chinese program in Australian schools under review amid propaganda claims' on SBS News (8 May 2018) <<https://www.sbs.com.au/news/chinese-program-in-australian-schools-under-review-amid-propaganda-claims>>.

<sup>[28]</sup> Parliament of Australia, 'Foreign Influence Transparency Scheme Bill 2017' on Parliament of Australia (2018) <[https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bId=r6018](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6018)>.

<sup>[29]</sup> Parliament of Australia, 'Foreign Influence Transparency Scheme (Charges Imposition) Bill 2017' on Parliament of Australia (2018) <[https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bId=r6019](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6019)>.

<sup>[30]</sup> Simon Sharwood, 'Australia's new Foreign Influence laws expand phone snoop powers' on The Register (5 December 2017) <[https://www.theregister.co.uk/2017/12/05/foreign\\_political\\_influence\\_laws\\_australia/](https://www.theregister.co.uk/2017/12/05/foreign_political_influence_laws_australia/)>.

- 5.4 Submissions received by parliament regarding these Bills have reflected echoed such concerns, <sup>[31]</sup> with Universities Australia advocating that the government provide a specific exemption for activities that are predominantly academic or scholastic in nature, including teaching and research activities, and the communication of research findings by any means. Universities Australia expressed that the law would stifle innovation and unduly impact benign foreign influence by limiting the scope of its collaborative projects with both questionable and friendly foreign governments alike, with the US Department of Defence's funding for the University of Melbourne's research into brain-machine interfaces being one of the multiple of projects which may be subject to such legislative amendments. <sup>[32]</sup> Concerns were also expressed that obligations for advocates for foreign interests to join a public register will harm freedom of speech and chill benign contributions to public debate. <sup>[33]</sup>
- 5.5 However, legal analysis of the contents of the First Reading text of these Bills reveals that the concerns expressed by academic institutions are hyperbole at best, or political gaslighting at worse. <sup>[34]</sup> While it is understandable that the potential liability to register under the scheme may arise through a simple phone call, under Section 18 and 31 it is established that relevant persons will only be obliged to register into the scheme once following such activities and remains on the register until such time they apply to be removed. A thorough examination of the Bills further reveals that there exists no positive restriction on the activities of those on the register compared to those outside the register, with the only obligations being to adhere to additional disclosure requirements and pay charges when registering under the scheme, with the proceeds from such charges being used for cost recovery purposes to administer the scheme. <sup>[35]</sup>
- 5.6 Consequently, ongoing overseas reprisals against CIs demonstrates the apparent dangers posed by CIs, ones which cannot be ignored by domestic policymakers. In the UK the Conservative Party's Human Rights Commission launched an inquiry into CIs premised upon increasing concerns over academic freedom and

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<sup>[31]</sup> Parliament of Australia, 'Submissions' on Parliament of Australia (2018)

<[https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bId=r6018](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6018)>.

<sup>[32]</sup> Kristy Needham, 'American lobbyists, universities hit back at foreign influence bill' on The Sydney Morning Herald (22 January 2018) <<https://www.smh.com.au/politics/federal/american-lobbyists-universities-hit-back-at-foreign-influence-bill-20180122-h0miwj.html>>.

<sup>[33]</sup> Paul Karp, 'Fear 'rushed' foreign influence bill will harm freedom of speech' on The Guardian (23 January 2018) <<https://www.theguardian.com/australia-news/2018/jan/23/fear-rushed-foreign-influence-bill-will-harm-freedom-of-speech>>.

<sup>[34]</sup> Parliament of Australia, 'Foreign Influence Transparency Scheme Bill 2017' on Parliament of Australia (2018) <[http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbills%2Fr6018\\_fir-st-reps%2F0000%22;rec=0](http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbills%2Fr6018_fir-st-reps%2F0000%22;rec=0)>.

<sup>[35]</sup> Parliament of Australia, 'Foreign Influence Transparency Scheme (Charges Imposition) Bill 2017 – Explanatory Memoranda' on Parliament of Australia (2018) <[http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2Fr6019\\_ems\\_2e4e8532-eaea-46ed-b937-77882b75cc29%22](http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2Fr6019_ems_2e4e8532-eaea-46ed-b937-77882b75cc29%22)>

the freedom of expression in academic institutions, and attempted to provide an assessment of the benefits or risks of CIs while identifying possible solutions to address such risks. <sup>[36]</sup> Likewise, in the US the FBI has expressed its continuous concerns over the degree of influence wielded by CIs while a number of universities have eliminated their CIs, <sup>[37]</sup> and US lawmakers are advocating to compel CIs to register as foreign agents. <sup>[38]</sup> The sheer volume of evidence from both anecdotal and authoritative sources exceeds the balance of probability as to the threats posed by China through CIs. The prevalence of suspicion over China's intentions through CIs thus mandates a resolute, coordinated, and proactive joint response by the government and Australian universities.

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<sup>[36]</sup> Ellie Bothwell, 'Confucius Institute crackdown predicted as global inquiries mount' on Times Higher Education (12 April 2018) <<https://www.thetimes.co.uk/article/chinese-whispers-confucius-institutes-are-welcomed-in-ireland-even-as-other-nations-kick-them-out-qswj7dwjtj>>.

<sup>[37]</sup> Associated Press, 'FBI chief says Chinese operatives have infiltrated scores of 'naive' US universities' on South China Morning Post (14 February 2018) <<http://www.scmp.com/news/world/united-states-canada/article/2133274/fbi-chief-says-chinese-operatives-have-infiltrated>>.

<sup>[38]</sup> Reuters, 'U.S. lawmakers want China's Confucius Institutes to register as foreign agents' on CNBC (21 March 2018) <<https://www.cnbc.com/2018/03/21/reuters-america-u-s-lawmakers-want-chinas-confucius-institutes-to-register-as-foreign-agents.html>>.

## 6. ACADEMIA AND SOFT POWER

- 6.1 Australia must recognize that whilst academia has been a common avenue for states to exercise soft power influence, its purpose and character has also been observed as a tool for diplomatic, political and cultural manipulation in furtherance of a nation's hard power objectives.
- 6.2 Where Battleships were once admired as the prime indicator of a nation's reputation in the first decade of the 20<sup>th</sup> century, contemporary political leaders often speak of the function of today's world class universities as indicators of national power and prestige. <sup>[39]</sup> Indeed, universities are perceived as a transnational actor within international relations, being two-way conduits for ideas, information, people, and money between nonstate actors across national borders.
- 6.3 Examples can be drawn upon from the presence of American Missionary Universities in the Middle East and China, where such transnational universities and the transnational nature of academia have increased US capacity to address chaotic transnational problems through epistemic communities, knowledge creation, transnational networks, and the spread of norms that facilitate cooperation and cross-cultural understanding. <sup>[40]</sup>
- 6.4 Soft power also extends to private foreign-affiliated universities, with the American University of Beirut and the American University in Cairo serving as soft power nodes for the US, advocating Middle East interests and raising moral, political, and financial support for education, healthcare, and development in the region. These universities have been tolerated by Host States given their contributions as elite bridges to the US and to human resources, healthcare, development, and state-building. <sup>[41]</sup>
- 6.5 Accordingly, having realized this development, China has capitalized upon its economic development and success in supporting an aggressive soft power initiative, one premised on "The Chinese Dream" of promoting the great rejuvenation of the Chinese nation in transforming China into a fully developed superpower by 2045. <sup>[42]</sup> China has sought to actively boost its soft power reputation since 2007 through

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<sup>[39]</sup> Ettore Deodato and Iwona Borkowska, *Universities as actors and instruments in diplomacy. The academic soft power potential* (Vivaldi Papers, 2014) 3.

<sup>[40]</sup> Rasmus Gjedse Bertelsen, 'The University as a Transnational Actor with Transnational Power: American Missionary Universities in the Middle East and China' (2014) 47(3) *Political Science and Politics* 626.

<sup>[41]</sup> Rasmus G. Bertelsen, 'Private Foreign-Affiliated Universities, the State, and Soft Power: The American University of Beirut and the American University in Cairo' 92(12) 8 *Foreign Policy Analysis* 307.

<sup>[42]</sup> Robert Lawrence Kuhn, 'Xi Jinping's Chinese Dream' on The New York Times (4 June 2013) <<https://www.nytimes.com/2013/06/05/opinion/global/xi-jinpings-chinese-dream.html>>.

intensified investment in its domestic media organizations, investments into international films, and through the spread of CIs internationally. <sup>[43]</sup>

- 6.6 CIs are a key pillar of China's foreign policy, being interpreted as tools of "sharp power" within the CCPs ongoing efforts to pierce, penetrate, or perforate the political and information environments in targeted countries by advocating China's views while silencing criticism. CIs curate the information they offer about the history, culture and politics of China to suit the CCPs narrative and spread a favorable vision of the China model of development. <sup>[44][45]</sup>
- 6.7 Aware of China's interference within academic freedoms in various institutions overseas, Australian universities have become acutely sensitive to public and government scrutiny concerning China's activities on their campuses. <sup>[46]</sup> However, in recognizing the soft power significance and role of academic initiatives within international relations, Australia has similarly engaged in the use of academia in projecting its soft power influence across the Indo-Pacific. This has been demonstrated by the New Colombo Plan, an initiative by the Australian government with the state purpose of lifting knowledge of the Indo-Pacific in Australia by supporting Australian undergraduates in their educational and professional activities throughout the region. <sup>[47]</sup>
- 6.8 Australia would do well to note how the increasingly transnational nature of academia has enabled its development as a soft power tool for states within international relations to projecting cultural and political influence, and to recognize how this can be exploited in targeting Australia's national security. The realization of this phenomenon is central to protecting Australia's national security. Indeed, the US has recognized the developing environment of soft power competition and has taken proactive steps in suggesting the registration of CIs as foreign agents.

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<sup>[43]</sup> Joseph Nye and Liz Economy, David Shambaugh, 'Is China's soft power strategy working?' on CSIS (27 February 2017) <<https://chinapower.csis.org/is-chinas-soft-power-strategy-working/>>.

<sup>[44]</sup> Jeffrey Gil, 'Innocent as Strawberries: Confucius Institutes and Chinese Influence' on Australian Institute of International Affairs (11 April 2018) <<http://www.internationalaffairs.org.au/australianoutlook/confucius-institutes-innocent-strawberries/>>.

<sup>[45]</sup> Diego Torres, 'China's soft power offensive' on Politico (26 December 2017) <<https://chinapower.csis.org/is-chinas-soft-power-strategy-working/>>.

<sup>[46]</sup> Andrew Greene, 'Chinese Government intrusion into Western universities sparks push for collective action' on ABC News (15 October 2017) <<http://www.abc.net.au/news/2017-10-15/chinese-intrusion-on-western-universities-sparks-action/9048456>>.

<sup>[47]</sup> Department of Foreign Affairs and Trade, 'About the New Colombo Plan' on the Department of Foreign Affairs and Trade (2018) <<http://dfat.gov.au/people-to-people/new-colombo-plan/about/Pages/about.aspx>>.

## 7. UNIVERSITY AUTONOMY

- 7.1 As discussed, the exhibited aversion of universities to government interference within their internal activities diminishes their capacity to resist foreign influence while simultaneously endangering national security. This conclusion is based upon the growing divide between university autonomy and public interest, one which has been reinforced by prevailing views over the past decade that universities pay little tax yet are remorseless in their request for public money, and how they champion themselves as innovators yet resist political pressures for applied research and immediate impact. <sup>[48]</sup>
- 7.2 This contention is not one which is completely unfounded, as since the 1980s Australian universities have increasingly behaved like an industry in competing with one another for commercial and government revenue. This has contributed to the growing tendency among universities towards a prioritization of self-interest over public good, and problematising the issue of trust and accountability. <sup>[49]</sup>
- 7.3 This situation has been exacerbated by the government's constant funding cuts to the tertiary education sector, leaving many universities seeking alternative sources of funding and resorting to increasingly desperate measures. Most recently, in 2017 the Turnbull government revealed its intent to enact \$1.2 billion in funding cuts through its higher education changes. <sup>[50]</sup>
- 7.4 This pattern of conflict between university autonomy and public interest suggest the need for a shared commitment by both sides in negotiating the terms of government support, to ensure that public funds are directed towards endeavors which produce quality, reliable, and beneficial research for the public good.
- 7.5 As of present, academic institutions have proven themselves either incapable or incompetent at addressing the issue of foreign influence independently. Many universities have given into temptation in pursuing lucrative agreements with the Chinese government. The CCP provides the University of Adelaide with \$230,000 in direct funding per year via its CI and the Hanban, <sup>[51]</sup> while the University of Sydney alone had

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<sup>[48]</sup> University of Melbourne, 'Arrogant universities seen as out of touch and ripe for cutbacks' on University of Melbourne (20 October 2017) <<https://about.unimelb.edu.au/leadership/vice-chancellor/news-and-speeches/arrogant-universities-seen-as-out-of-touch>>.

<sup>[49]</sup> Hannah Forsyth, 'University Autonomy and the Public Interest' on Australian Policy and History (13 November 2017) <<http://aph.org.au/university-autonomy-and-the-public-interest/>>.

<sup>[50]</sup> Matthew Knott, 'Universities set to lose \$1.2b in funding under Turnbull government changes' on The Sydney Morning Herald (6 August 2017) <<https://www.smh.com.au/politics/federal/universities-set-to-lose-12b-in-funding-under-turnbull-government-changes-20170805-gxq0ez.html>>.

<sup>[51]</sup> Tory Shepherd, 'China's Communist Party gives \$230k a year to University of Adelaide' on The Advertiser (7 December 2017) <<http://www.adelaidenow.com.au/news/south-australia/chinas-community-party-gives-230k-a-year-to-university-of-adelaide/news-story/b6b62ca1d48e82440970c64bd37b2480>>.



Chinese students providing about AUD\$354 million or 16% of the university's AUD\$2.2 billion operating revenue in 2016. <sup>[52]</sup>

- 7.6 In responding to the threats posed by CIs and rebuilding confidence in their relationship with the government, Australian universities should assume more stringent admission standards; having increased regard to the academic skills, and social and cultural backgrounds and requirements of students, to enable a greater ease of transition and assimilation into Australia's social and cultural settings. Effort must also be invested in countering other forms of foreign influence; with greater attention also being had to the opinions of the Chinese Students and Scholars Association, <sup>[53]</sup> and in providing a separate forum for Chinese students to promote alternative points of view while simultaneously upholding academic integrity. <sup>[54]</sup>
- 7.7 However, these objectives can only be fully realized through sufficient financial support for university activities, to offset the temptation and opportunity cost which arises from the incentives offered by CIs and other foreign institutions.

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<sup>[52]</sup> John Ross, 'Research unis rely on Chinese fees' on The Australian (21 June 2017) <<https://www.theaustralian.com.au/higher-education/research-unis-rely-on-chinese-fees/news-story/ba330001d697fa9c54325d8c824c4569>>.

<sup>[53]</sup> Chinese Students and Scholars Association, 'A bit about us' on Chinese Students and Scholars Association (2018) <<https://umsu.unimelb.edu.au/about/umsu/>>.

<sup>[54]</sup> Jonathan Benney, 'How should Australia respond to China's influence in our universities?' on The Conversation (30 October 2017) <<https://theconversation.com/how-should-australia-respond-to-chinas-influence-in-our-universities-86064>>.

## 8. ANALYSIS

- 8.1 The issue of CIs and China's influence within academia represents a crucial aspect of the wider evolving ideological conflict between the liberal West and communist China, one which is set to intensify over the following decades. <sup>[55]</sup> Whereupon the Cold War was defined by a battle of ideologies between the Soviet Union and the West, the advent of China in the 21<sup>st</sup> Century as a superpower contender and ideological competitor represents a renewed threat towards Western liberal values of freedom of expression and the rule of law.
- 8.2 Accordingly, the clash of ideologies is interpreted as a vital component of China's grand strategy to replace the US as the world's hegemon, as illustrated by the Chinese 1999 military strategy book *Unrestricted Warfare* which views legal, ideological, and economic factors as alternative avenues to be exploited in achieving victor over the US. <sup>[56]</sup> Where the West has been defined by its ideological contentions, the internal dismantling of a State's ideological basis is key in achieving victory with minimal effort, for to subdue the enemy without fighting is the acme of skill.

### Objectives

- 8.3 A mixture of positive, proactive, and pragmatic measures must be adopted in addressing the issue of CIs, premised on the prediction that China will actively resist all such measures to curtail its economic and cultural influence through both covert and overt measures. This may be sculpted in accordance with the following broad objectives:
- 8.3.1 The Australian government and Australian universities must recognize the developing role of CIs as tools of "sharp power".
- The increasingly politicized nature of academia, its contemporary transnational reach, and its soft power attributes must be acknowledged and understood in better countering foreign influence throughout Australia's education system moving forward.
- 8.3.2 Government involvement within university affairs should be cautiously expanded through executive and legislative means.

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<sup>[55]</sup> Cary Huang, 'Once again, China and the US take their rivalry into the realms of ideology' on South China Morning Post (17 April 2018) <<http://www.scmp.com/comment/insight-opinion/article/2142028/once-again-china-and-us-take-their-rivalry-realms-ideology>>.

<sup>[56]</sup> Qiao Liang and Wang Xiangsui, *Unrestricted Warfare* (Beijing: PLA Literature and Arts Publishing House, February 1999).

- The provision of adequate governmental financial support and policy advice through legislation and executive agencies would empower universities to stand up for academic integrity and freedom of expression.
- The imposition of reporting obligations upon foreign organizations such as CIs facilitates transparency, responsibility, accountability, security, and public participation within Australian tertiary institutions.

8.3.3 University and government collaboration should be sought on the development of an indigenous Chinese language program to replace CIs.

- Coordination should be sought with the Chinese-Australian community, in leveraging the abundant skilled-labor base amongst one million Australians of Chinese heritage, to strengthen ties while creating employment opportunities and the development of a niche Chinese language industry in the absence of CIs.
- Support should also be sought from other ethnic Chinese countries better aligned with Australia's interests, including Singapore and Taiwan.

## Recommendations

8.4 Safeguarding the sanctity of freedom of speech within academia, the ideological identity of Australian society, and the integrity of Australia's national security requires substantive reinforcement through legislative and executive proposals. This can be achieved through the inclusion of the following measures within the anticipated amendments to Australia's foreign influence laws: <sup>[57]</sup>

8.4.1 Compel universities to decide between CIs versus receiving government support.

- Universities may soon be obliged to assess the risks of being registered as a foreign agent when cooperating with CIs.
- Provisions should be included which proportionally reduce government financial support, or penalize, universities which host CIs.

8.4.2 Require financial transparency.

- The passage of amendments to the foreign influence laws will soon require the disclosure of financial records by those registered as foreign agents.
- The public must remain informed as to how much money foreign governments invest into Australian academic institutions.
- This will reduce the incidence of corruption and cronyism throughout Australian institutions while encouraging accountability and responsibility.

8.4.3 Ensure a robust enforcement mechanism.

- The text of the proposed Bill must ensure that its enforcement is supported by a coherent process, have an identifiable body overseeing its enforcement, and be enforced uniformly in accordance with the rule of law.

8.4.4 Require China to be transparent about its motives.

- This may be achieved through an opt out foreign agent's registration system, whereby organizations associated with certain countries are automatically registered and must provide clear and compelling reasons why they should be removed from the register.

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<sup>[57]</sup> Rachele Peterson, 'Get China's pernicious Confucius Institutes out of US colleges' on The Hill (22 February 2018) <<http://thehill.com/opinion/education/375092-get-chinas-pernicious-confucius-institutes-out-of-us-colleges>>.

- This would improve transparency for foreign activities within Australia, and those organizations which submit bogus documents, or false or misleading information will be committing a criminal offense.

#### 8.4.5 Enforce antidiscrimination laws.

- It has been observed that CIs often include staff from a pool of candidates vetted and selected by the CCP, which discriminates based on political and religious views.
- The scrutiny of the Attorney-General should be sought in examining whether China's hiring practices within CIs in Australia adhere with the *Australian Human Rights Commission Act 1986* (Cth) and pursue legal action where appropriate. <sup>[58]</sup>

#### 8.4.6 A Royal Commission should be launched into the activities of CIs and their connections to the CCP.

- Royal Commissions are independent public inquiries instigated by Australian governments in response to ongoing impropriety, illegal activity or gross administrative incompetence. They can be inquisitorial and possess broad coercive powers which may override administrative protections during its investigation. <sup>[59]</sup>
- This will force CIs and the Chinese government to explain their motives and administrative processes before the Australian public while holding them accountable to the growing volume of complaints and concerns arising against them.

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<sup>[58]</sup> Australian Human Rights Commission, 'A quick guide to Australian discrimination laws' on Australian Human Rights Commission (2018) <<https://www.humanrights.gov.au/employers/good-practice-good-business-factsheets/quick-guide-australian-discrimination-laws>>.

<sup>[59]</sup> Scott Prasser, 'Royal commissions: how do they work?' on The Conversation (13 November 2012) <<https://theconversation.com/royal-commissions-how-do-they-work-10668>>.

## 9. SUMMARY

- 9.1 In summarizing the anticipated best-case strategic scenario premised on these recommendations, the Australian government may retreat from their cuts to university funding, and express an interest in promoting an alternative indigenous Chinese language program to rival the work being conducted by CIs. Australia may also seek to replace CI language programs with ones originating from alternative ethnic Chinese countries whom are closely aligned with Australia such as Taiwan and Singapore. Finally, a royal commission being conducted on the issue of CIs and China's foreign influence networks in Australia would serve as a watershed moment and educate the public on the threats posed by an increasingly assertive China.
- 9.2 The worst-case strategic scenario would involve the continuing unchecked proliferation of CIs across Australian university campuses, thus stifling academic integrity and freedom of expression and resulting in an increasing degree of censorship and fear amongst the Australian academic community. Alternatively, the Australian government may not be financially capable of offering a comparably competent Chinese language program to fill the gap left by CIs, which results in long term damage to Australia's economic prospects in an international marketplace being increasingly dwarfed by the Chinese economy. Finally, the Chinese government may perceive any actions against CIs as a threat against its national interests, and assume retaliatory economic measures through targeting Australia's \$22.4 billion education industry. <sup>[60][61]</sup>
- 9.3 The most likely strategic scenario is one where scrutiny by the Australian government will continue to intensify over time as the amendments to Australia's foreign influence laws draw closer to enactment. In response China will seek to protect CIs from government investigation and will attempt to delay the enactment of the amendments to the foreign influence laws by engaging in a news media gaslighting campaigns and threatening economic retaliation. Meanwhile, universities will seek to safeguard their ties with CIs and other foreign research institutions given the growing importance of their financial contributions in the face of constant government cuts to education spending.
- 9.4 The potential exists for the domestic economy to benefit from the opportunities which arise in the absence of CIs, where the Australian government incentivizes the establishment and growth of indigenous Chinese language institutes. However, there exists the risk that where the scope for international collaboration and

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<sup>[60]</sup> Misha Schubert and Bella Counihan, 'Australia's International Student Numbers Continue to Grow' on Universities Australia (26 May 2017) <<https://www.universitiesaustralia.edu.au/Media-and-Events/media-releases/Australia-s-international-student-numbers-continue-to-grow#.Wm2iwjdx02w>>.

<sup>[61]</sup> Shamsheer Kainth, 'International student numbers continue to surge in Australia' on SBS (24 May 2017) <<https://www.sbs.com.au/yourlanguage/punjabi/en/article/2017/05/26/international-student-numbers-continue-surge-australia>>.

cooperation with foreign research institutes is curtailed by the amendments to Australia's foreign influence laws, that Australia's university rankings may be adversely affected as universities will be forced to engage in further unsavory cost cutting measures. Similar, though more severe results, can be expected where China also seeks to retaliate in response to the removal of CIs by cutting the number of Chinese students studying in Australia.

- 9.5 Regardless, even where CIs are restricted or removed from Australia, it is unlikely that this will curtail China's broader efforts to assert influence and control. It is not the prerogative of any government or organization to quit following a setback, but to learn from their mistakes and reinvest their efforts in avoiding similar strategies in the future.
- 9.6 The Australian government and universities must therefore be prepared for every eventuality in securing our national security, for eternal vigilance is the price of liberty. The only question which bears asking is do we deal with this issue now, or in the future when its implications have multiplied exponentially beyond our capacity to respond?

### **10. AUTHOR BIO**

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