



Quaker Peace & Legislation Committee

WATCHING BRIEF 21-1: AUSTRALIA AND CHINA

As Quakers we seek a world without war. We seek a sustainable and just community. We have a vision of an Australia that upholds human rights and builds peace internationally, with particular focus on our region. In our approach to government, we will promote the importance of dialogue, of listening and of seeking that of God in every person. We aim to work for justice and to take away the occasion for war.

January 2020

The relationship between Australia and China is at a serious point of conflict. This report describes and analyses of some of the critical factors involved, and ideas about a way forward.

Background

The website of the Australian Department of Foreign Affairs and Trade (DFAT) includes the following information about the Australia-China relationship:

- Australia has had diplomatic relations with China since 1972, based on strong economic and trade connections. Our formal representation in China includes an embassy in Beijing, consulates in Shanghai, Guangzhou, Chengdu, Shenyang and Hong Kong, 11 Austrade offices, and representatives of the Australian States. There are also about 100 sister city/state relationships.
- Over the years there have developed regular dialogues on foreign relations, trade, law, education, development, tourism, and climate change. Most recently (2019) our government established an Australia-China High Level Dialogue between leaders in business, academia, social agencies, and government. Australian government ministers have met their Chinese counterparts quite often, usually in conjunction with attending international gatherings.
- China is Australia's largest two-way trading partner, with the total value of trade amounting to \$219b in 2019. Our exports to China are mainly iron ore, coal, liquid gas, education and tourism. Chinese investment in our infrastructure, services and agriculture continues to increase. Many businesses now operate in China, and the New Colombo Plan is helping Australians learn more about China. There has been a Free Trade Agreement in place since late 2015.

Crisis Points

In the last few years there have been significant challenges to the Australia-China relationship. These have included the more assertive stance taken by the Chinese government in the South China Sea, the decision by Australia to prevent the firm Huawei investing in 5G technology projects here, concerns about the treatment of minorities (eg Uyghurs, Tibetans) and the residents of Hong Kong, and the initiative by Australia in seeking an international inquiry into the outbreak of the COVID-19 virus in China. Our federal government has also seen the Belt and Road Initiative (BRI) as a threat to the existing order of trade and commerce in or region. In addition it has passed legislation (*Foreign Interference Act 2019 and Foreign Relations Act 2020*) to monitor more closely actions by China affecting Australian institutions, and to examine and control all aspects of links between Australian agencies (including universities and state/territory governments) and other countries, notably with China.

China has taken action recently to delay or stop the import of some Australian products (eg beef, wine, barley, coal) supposedly on the grounds of the 'dumping' of these products. Australia is now planning to take up this with the World Trade Organisation (WTO). Australian ministers have had trouble contacting their Chinese counterparts, and the Chinese Embassy in Canberra has made provocative statements about Australia's approach, implying that Chinese visitors and students may not wish to come here because of possible discrimination.

Public opinion in Australia has become much more negative towards China. The Lowy Institute 2020 poll (released 27 June 2020) showed that only 23% of Australians trust China to behave responsibly. A larger percentage (44%) said the government should give major priority to protecting Australians from foreign state intrusion when assessing overseas applications to invest in new technology. Around 50% of those surveyed also are concerned about foreign interference in Australian politics. It is worth noting that the media (especially the Murdoch press) exacerbate the situation by playing up the negative aspects of the Australia—China relationship.

Analysis

Geoff Raby, a former Australia diplomat and currently a consultant on Australia-Chinese business affairs, has recently published a book called *China's Grand Strategy and Australia's Future in the new Global Order*. (Melbourne University Press, 2020). He makes the following points as part of a thorough and comprehensive review of the relationship:

1. High level diplomatic exchanges between Australia and China ceased in 2017. The dominant view of China among intelligence and military establishments in Canberra has been that China seeks to overthrow the US-led order in our region. As a result, Australia's government sees itself in competition rather than cooperation with China. This is exacerbated by China's moves in the South Pacific to claim islands and its perceived attempts to influence our domestic policy and universities.
2. China is constrained by geography, history and resource endowments. It lacks soft power owing to its autocratic system run by the Communist Party. Its economic power has given it greater sway in international fora and has helped create a 'new world disorder'. "The biggest or second biggest economy in the world will want the global order to reflect its interests and needs for security. It will define them in its own way based on historical experiences, anxieties – real or imagined – and its cultural norms and assumptions".
3. The West's view that economic development would lead to political reform in China has proved a fantasy. The Communist Party has a compact with the people that it will

relax some control over personal freedom in return for their working for growth. The Belt and Road Initiative (BRI) is an example of its reaching out to get greater control of its supply chains.

4. Australia will need an independent foreign policy towards China, accepting it as it is and responding in ways that avoid war. We should assess Beijing's initiatives and actions on their merits. Our diplomacy must be creative, flexible, resolute and consistent – and well resourced.
5. China has had mixed responses from other nations to its moves to assert its role in the region and beyond. Because of its historical conflicts with many of its neighbours (eg Japan, India, Vietnam, South Korea), it has at time overreached in pressing its interests, and has received negative feedback from other nations as a result. In relation to BRI, for example, many nations have entered into memoranda of understanding to participate, but are resistant to being manipulated. As a result, BRI is being modified as it is implemented.

Geoff Raby sees Australia as in danger of falling into the trap of being for or against China as part of a US-China struggle. In spelling out options for Australia, he says: "Australia's strategic objective should be a stable and prosperous region in which all countries' voices can be heard within a framework of agreed rules...Australia should seek friendly relations with China, not an end in itself but as a means of protecting and advancing Australia's interests".

He proposes some specific actions:

- Do not take for granted that the US will defend Australia.
- Work on the US Alliance to ensure it meets our needs.
- Acknowledge China as dominant in East Asia.
- Focus on improving economic performance, defence and diplomacy, with greater investment in soft power.
- Build coalitions within the East Asia region.
- Combine with other regional nations to 'manage' China's dominance.
- Strengthen bilateral relations in East Asia (eg Vietnam).
- Engage with other states with liberal values and democratic traditions.
- Engage with China cooperatively and constructively on regional and global concerns.
- Build cultural links with China.

Rana Mitter (Professor of History at Oxford University UK) recently published a book called *China's Good War*, which deals with the devastating human cost of WW2 on the Chinese people (10 million dead fighting the Japanese). In a podcast on 10 November 2020 he recalled that China was the first nation to sign up to the United Nations Charter and helped in the drafting of the UN Declaration on Human Rights, and has thereby contributed to the current global order.

Adam Triggs (ANU Asian Bureau of Economic Research) has pointed out (*Inside Story*, 27 Oct 2020) that it is not easy to replace trade with China. He says that China accounts for 8% of Australia's GDP, 40% of our merchandise exports and 28% of total imports. It is the largest source of tourists and international students, and growing share of services trade and investment. The apparent unwillingness of some of our leaders to face the crisis is marked by the repeated provocations expressed about China. It also suggests an assumption that trade with China can be replaced easily.

He emphasizes that Australia could achieve a change of this kind only if the other importing countries we deal with doubled their imports, and that assumes they actually want more of what we are selling.

Andre Vitcek (*Dissident Voice*, 22 July 2019) has a focus on the Uyghurs. They fought for independence from China, but since 1949 have been part of it. He acknowledges that they are mostly good citizens of China, but he draws attention to the extremists who operate in many parts of the Middle East. These fundamentalist separatists are trained (sometimes by NATO) in Syria, Afghanistan and Indonesia for sabotage and brutality, as part of a wider Western strategy to undermine China. The widespread reports of Uyghurs being detained in camps by China are part of the campaign to discredit China, and are from dubious sources, notably the US NGO called the China Human Rights Defenders. The Chinese government actually supports Muslims in the western regions in many ways – music, food, worship, architecture - but is constantly attacked and insulted.

Jessica Yun (*Yahoo Finance*, 9 Jan 2021) says that the hostile relationship between Australia and China appears to be damaged beyond repair. She highlights the decline in Chinese investment in Australia over the past three years as a sign of the growing mistrust. She believes that neither side will back down from criticizing the other.

Jason Scott (*Bloomberg*, 11 Jan 2021) points out that, despite some Chinese cities having blackouts in December, China has blocked coal shipments from Australia. Its embassy in Canberra issued a list of 14 grievances against Australia (November 2020) including action - to seek an investigation into China's role in the pandemic, reject some Chinese investment on national security grounds, and interfere in Chinese affairs (Taiwan, Hong Kong, Xinjiang). China also resents racist attacks on Chinese people in Australia, and an antagonistic media. Some other countries – eg UK, Canada - have also been the target of Chinese anger. The actions on incoming US President Biden will have a significant influence on how things develop.

The Australian Strategic Policy Institute (ASPI) has a significant impact on official thinking about China. It should be noted that, in 2019-20 ASPI received around \$1.3m from US sources (State Department, Defence Department, US Embassy) which represents the major share of the overseas government financial sponsors of ASPI (others are UK, Israel, Japan and Netherlands).

Alan Behm (The Australia Institute) has suggested (*Aust.Foreign Affairs* Oct 2020) that Australia should convene an annual Pacific Donors Conference (including China) to focus on the delivery of aid programs to achieve better outcomes for Pacific people. The conference would involve donors and recipients and rotate among the Pacific capitals, funded by Australia.

Possible Responses

Friends will have their own perspectives on the Australia-China relationship. At the same time the fracturing of official relations, and the suspicion with which China is held in many quarters in Australia, are of concern to us as peacemakers. Here are some thoughts about what we can do individually and collectively:

- Reach out to people of Chinese origin in our community to listen to their experience of the current trends, and to share our concern.
- Learn about the Australia-Chinese organisations in your region, and see whether there are opportunities for dialogue with them.
- Encourage inter-faith groups with which you are associated to build friendly ties with people of Chinese origin.

- Consider what ideas we as Friends could offer to our political representatives on re-building the relationship with China – eg through engagement with the Belt and Road Initiative, resumption of formal dialogues on human rights, promoting cultural exchanges, and inviting the return of Chinese students (and study by Australia students in China) as part of the New Colombo plan.
- Support the Australian Government’s creation of the Australia-China High Level Dialogue (2019) as a vehicle for discussion of trade, law, development, education, tourism and other areas of common interest.
- Support the idea of an annual conference on aid to the Pacific region.

QPLC will seek ways to contribute to the public debate, and welcomes your comments and suggestions.

Canberra
January 2021