

Impact of Chinese Sharp Power on Australia's National Security: A Viewpoint of the Wedge Strategy

Paul An-Hao Huang

Assistant Research Fellow/Acting Director

Division of National Defense Strategies and Policies

Institute for National Defense and Security Research

Abstract

Given the strategic expansion of China and the strategic need of the United States in the Indo-Pacific region, Australia has rapidly emerged as a geopolitical hotspot and a pivot power in recent years. With the rise of China in the international arena, almost all countries in the region have already felt the pressure of economic influence and political interference from China. Australia in the South Pacific region is no exception. China is infiltrating Australia's politics, economy, society and culture with the so-called "sharp power," which has become a catch-all phrase in international relations research referring to external influence targeting democracies. Beijing's behavior has also caused Canberra to be more vigilant about the "economic diplomacy" – or charm offensive – from this "red giant," since Australia's national security is significantly based on the US-centered multilateral security alliance. Once China successfully penetrates Australia's political system, this will weaken allies' trust in Australia and shake up Australia's national security. How does Beijing operate sharp power to influence Australia? To explore such question in depth, this initial study examines China's sharp power in Australia by using the perspective of the wedge strategy.

Impact of Chinese Sharp Power on Australia's
National Security: A Viewpoint of the Wedge Strategy

Keywords: *economic infiltration, political interference, Sharp Power, Wedge Strategy*

中國銳實力對澳洲國家安全的衝擊：

楔式戰略之觀點

黃恩浩

助理研究員/代所長

國防安全研究院國防戰略與政策研究所

摘 要

隨著中國在國際上的快速崛起，印太區域國家幾乎都已經感受到了中國政治經濟的影響力與滲透力，位於南太平洋的澳洲當然也不例外。中國正以所謂的「銳實力」來滲透澳洲政治、經濟與社會，這因此也引起澳洲當局對北京魅力攻勢的經濟外交手段提高警覺性。因為澳洲的國家安全是奠基在以美國為中心的多邊安全同盟基礎上，一旦中國共產黨滲透到澳洲的政府決策與安全系統，這不僅將會破壞澳洲的民主政治發展，亦會弱化同盟國對澳洲的信賴，進而影響到澳洲的國家安全建構。北京究竟如何操作銳實力來影響澳洲？坎培拉又要如何因應？為了能深入探討這個問題，本研究乃嘗試採用「楔式戰略」的觀點來進行初步分析。

關鍵詞：經濟滲透、政治干預、銳實力、楔式戰略

I. Introduction

With the trend of economic globalization and free trade, the continuous development and expansion of China's economy has made it the second largest economy in the world. The growth of economic capability has thus become an important aspect of China's construction of foreign relations. Beijing first proposed the term "economic diplomacy" in the 2005 edition of the *Chinese Diplomacy* white paper to define the future direction of its foreign policy.¹ Since then, this concept of promoting external influence by utilizing its economic power has become an important guideline of China's foreign policy.² For the political purpose of intervening other countries' politics, Beijing uses economic, trade, financial and investment methods to influence the international community and to strengthen the economic linkages between the Chinese diaspora and the Chinese Communist Party on a global scale.³ Therefore, China's economic diplomacy is actually a charm-offensive diplomacy.⁴ Beijing's manipulation of soft economic expansion not only makes China's neighboring countries feel no direct security threat, but also cultivate expectation and imagination of economic coexistence in the region under the Chinese diplomatic principle of "non-interference in each other's internal affairs." The phenomenon of the Chinese economic power practice is like Joseph Nye's "soft power" concept

* An earlier draft of this paper was presented at 2018 Defense Forum on Regional security: "New Security Challenges in the Indo-Pacific Region: Cybersecurity Governance and China's Sharp Power" at the Institute for National Defense Security Research (INDSR), Taipei, October 8-9, 2018.

¹ David Baldwin, *Economic Statecraft* (NJ: Princeton University Press, 1985), pp. 38-39.

² Department of Policy Planning, Ministry of Foreign Affairs of the Peoples' Republic of China, ed., *China's Foreign Affairs 2005* (English Edition) (Beijing: World Knowledge Press, 2005).

³ Wen-Zhi Zhao, *China's Economic Diplomacy: Theory and Practice* (Taipei: Wunan Press, 2016), pp. 24-39, 63-96.

⁴ Jonas Parelo-Plesner and Belinda Li, *The Chinese Communist Party's Foreign Interference Operations: How the U.S. and Other Democracies Should Respond* (Washington D.C: Hudson Institute, 2018), p. 3.

many years ago.⁵

To influence the policy direction of democratic countries and weaken their hostility towards China, Beijing recently not only to apply economic and diplomatic means such as investment and trade (e.g. “One Belt One Road Initiative”),⁶ but also to affect public opinion, to establish Confucius Institutes, to bribe officials, to surveil overseas dissidents, to manipulate information/media and so on, for increasing the impact on other countries’ domestic politics and foreign policy. Such aggressive utilization of soft power is developed by today’s “authoritarian” states, notably including China and Russia, and is redefined as “sharp power” according to Christopher Walker and Jessica Ludwig.⁷ Essentially, the term “sharp power” was coined in November 2017 by the National Endowment for Democracy (NED), to describe aggressive and subversive policies employed by authoritarian governments as a projection of state power in democratic countries. The term is neither the “hard power” with obvious coercive and oppressive qualities, nor the “soft power” with mild attraction and persuasion characteristics. It is like a Trojan horse, which can clandestinely execute internal control and diplomatic disalignment of the target state/democracies. Its goal eventually is to align the interests of democracies with authoritarian states and this is the so-called “united front” (統戰) which is a key element of the CCP’s strategy to consolidate its hold on

⁵ Joseph Nye, *Soft Power: The Means to Success in World Politics* (NY: Public Affairs, 2004), pp. 1-32.

⁶ Lily Kuo and Niko Kommenda, “What is China’s Belt and Road Initiative?” *The Guardian*, July 30, 2018, <https://www.theguardian.com/cities/ng-interactive/2018/jul/30/what-china-belt-road-initiative-silk-road-explainer>

⁷ Christopher Walker and Jessica Ludwig, “The Meaning of Sharp Power,” *Foreign Affairs*, November 16, 2017, <https://www.foreignaffairs.com/articles/china/2017-11-16/meaning-sharp-power>

power, both internally and externally, since the party's founding in 1921.⁸

Beijing using “sharp power” to project its influence worldwide, with the aims of limiting free expression, spreading confusion and distorting the political setting within democracies. China's manipulation of “sharp power” is a kind of “united front” activities and political tools.⁹ Accordingly, the president of China Xi Jinping (習近平) elevated and expanded united front activities, a so-called “magic weapon” (法寶)¹⁰ that relies on co-opting Chinese diaspora communities and building relationships with Western enablers to make foreign serve the CCP. This article therefore regards the united front work as an important part of Chinese sharp power.

From a strategic point of view, this study argues that the impact of Chinese sharp power on Australia can be said as the diplomatic operation of Beijing's “wedge strategy” (楔式戰略)¹¹ that also known as dividing policy in international politics. In other words, this is the means of the CCP's international united front work, attempting to divide the alliance of democracies (e.g. the US, Japan, India, Australia, New Zealand, etc.) via uniting lesser enemies (e.g. Australia or New Zealand) to defeat greater ones

⁸ Refer to Alexander Bowe, “China's Overseas United Front Work: Background and Implications for the United States,” Staff Research Report, U.S.-China Economic and Security Review Commission, August 24, 2018; Martin McKenzie-Murray, “Inside China's ‘United Front’,” *Saturday Paper* 194 (March 3-9, 2018), <https://www.thesaturdaypaper.com.au/news/politics/2018/03/03/inside-chinas-united-front/15199956005888>

⁹ Christopher Walker and Jessica Ludwig, *Sharp Power: Rising Authoritarian Influence in the Democratic World* (Washington D.C.: National Endowment for Democracy, 2017), pp. 6, 13-24.

¹⁰ Anne-Marie Brady, *Magic Weapons: China's Political Influence Activities under Xi Jinping*, Wilson Center (September 2017), http://www.wilsoncenter.org/sites/default/files/for_website_magicweaponsanne-mariesbradyseptember2017.pdf

¹¹ “Wedge” is a piece of hard triangular shaped tool with two principal faces meeting in a sharply acute angle, for raising, holding, or splitting objects by applying a pounding or driving force, as from a hammer. Refer to Sybil P. Parker, ed., *McGraw-Hill Concise Encyclopedia of Science & Technology*, 3th ed. (NY: McGraw-Hill, Inc., 1992), p. 2041.

(e.g. the US). Timothy Crawford defines a wedge strategy as “a state’s attempt to prevent, break up, or weaken a threatening or blocking alliance at an acceptable cost.”¹² When this strategy succeeds, the divider (the state who operates the wedge strategy) achieves the goal of constructing national security by reducing the number of rival countries and weakening the influence of rival alliance.

In terms of the strategic interaction between China and the United States, balance and counter-balance are the keys to the diplomatic strategies of the two sides. To withstand China’s economic and military pressure, the US adopts a moderate strategy of containment and engagement for China’s expansion.¹³ Namely, the US continues to maintain close economic ties with China, but, in the military, it establishes military-security alliance with Asia-Pacific neighbors to prevent possible military risks from China present and future. On the contrary, how to counter and weaken the containment of the US and its alliance has become a vital issue of operating wedge strategy for China. It is a common phenomenon for great powers to operate the wedge strategy internationally. For example, during the Sino-Soviet alliance in the 1950s, Washington once played an important wedge role between Beijing and Moscow.¹⁴ In addition, the operation of the wedge strategy may

¹² Timothy Crawford, “Preventing Enemy Coalitions: How Wedge Strategies Shape Power Politics,” *International Security*, Vol. 35, No. 4 (Spring 2011), p. 156.

¹³ Zalmay Khalilzad, “The Case for Congagement with China,” *National Interest*, June 19, 2017, <http://www.nationalinterest.org/feature/the-case-congagement-china-21232>

¹⁴ Michael D. Pixley, “Eisenhower’s strategy in Taiwan Strait drove a wedge between the Soviet Union and China,” *Military History*, Vol. 21, No. 26 (February 2005), pp. 13-24; Yasuhiro Izumikawa, “To Coerce or Reward? Theorizing Wedge Strategies in Alliance Politics,” *Security Studies*, Vol. 22, Iss. 3 (August 2013), pp. 498-531; Hyon Joo Yoo, “China’s Friendly Offensive Toward Japan in the 1950s: The Theory of Wedge Strategies and International Relations,” *Asian Perspective*, Vol. 39, No. 1 (January-March 2015), pp. 1-26. Also refer to Chinese papers: Liu Jun, “The US Factor in the Formation and Breaking of the Sino-Soviet Alliance,” *Journal of East China Normal University*, Vol. 39, No. 3 (May 2007), pp. 9-13; Zhong, Zhenming, “Theory of Wedge Strategy and the Efficiency of Power Balancing in International Politics,” *Foreign Social Science*, No. 6

also transform the opponent country into a neutral one or an ally.¹⁵ Therefore, this strategy may trigger the development of “power transition” in an international system, and the result will have an important impact on the orientation of the development of international relations.

In theory, to pursuing national survival and security in an anarchic international environment, state actors must pay considerable attention to obtain greater power for increasing their security. For getting maximized power, realists emphasize two approaches: the first is to enhance the state's material power; and the second is to strengthen state's security alliance. In addition, state actors can infiltrate, divide, influence and control its rival state's direction of internal and diplomatic policies through applying the flexible approaches of economy, trade, investment and foreign aid. These means not only can fail rival state's international alliance, but also can enhance the divider's relative power.

The rise of China's economic leverage in the Indo-Pacific region has been increasing regional countries' economic dependence on the Chinese market, and Australia is no exception. This situation not only wanes “China threat theory” in the region, but also reinforces China's dominance over regional economy. Even Australia's national security is based on the US-guided alliance, its trade and economic growth quite depends on China indeed. In the case of “security relies on the US and economy relies on China,” Australia, a democratic ally of the US in the region, has thus become the main target of China's sharp power. China attempts to turn its economic influence on Australia into political one, trying to sway Australia's internal and foreign affairs. The questions to be discussed in this

(June 2012), pp. 76-84; Wang, Xiaohu, “The Wedge Strategy of the US and the Prealignment in the Asia-Pacific,” *International Perspective*, No. 3 (March 2017), pp. 58-77.
¹⁵ Timothy Crawford, *op. cit.*, p. 155.

paper are, how does China's sharp power affect the national security of Australia? And what responses Australia has made? In order to further analyze the questions, this paper will also inspect the implication of Chinese sharp power within the context of "wedge strategy" against US-Australian alliance.

II. Wedge Strategy with China's Sharp Power

United front work is at the center stage of Beijing's wedge strategy under China's sharp power, and the enlargement of China's influence in Australia is conducted in a complementary way. The operation of wedge strategy is primarily to use the resources of politics, economy, culture and diplomacy, and supported by the means of commitment, threat, reward and punishment to subvert the internal unity and international alliance of a target for abating the threat from the target(s); or rather, this strategy takes advantage of the asymmetry between free and unfree systems, allowing authoritarian regimes both to limit free expression and to distort political settings in democracies and their allies. In other words, the goal of such strategy is to hamper other countries' pursuits of their own national interests. Similarly, it is an important means for a rising power to undermine other countries' internal unity and external balance or containment policy.¹⁶

The practice of wedge strategy is a common phenomenon in history and international relations, but its strategic thinking is not a product of modern Western international politics. As far as China is concerned, the strategy has existed in Chinese military thoughts and classics since the Spring and Autumn periods of ancient China about 2,500 years ago. For example, in the famous Chinese military classic *Sun Tzu's Art of War* 《孫子兵法》, the chapter of "Employing Spies" (用間) states the importance of

¹⁶ Timothy Crawford, *op. cit.*, p. 159.

using spies to divide, to fail and to destroy the enemy's strength and unity;¹⁷ and the chapter of "Attack by Stratagem" (謀攻) emphasizes the use of various strategies to weaken the enemy's national power, to undermine its internal unity, and to hinder the normal operation of its government.¹⁸ Besides, in the traditional classic of *Six Secret Teachings* 《六韜》, the chapter of "Verbal Intimidation" (文伐) advocates to enlarge the contradictions within enemy, and then dividing, weakening and subverting the enemy.¹⁹ The chapter of "Three Doubts" (三疑) highlights the need to use the strategy carefully to divorce opposing alliance, and to use the property to bribe the enemy's subjects and officials.²⁰ Meanwhile, the chapter of "Fighting Against Heavy Odds" (少眾) stresses that the approach of fighting against heavy odds is to ally oneself with great powers, to cooperate with neighboring states, and then to isolate the enemy.²¹

For China, its surrounding environment and national security are equally important. To reduce the pressure of the US-led alliance on China's rise, the adoption of counter-US strategy has become the vital issue of Beijing's diplomatic activities. Though the means of wedge strategy are not newfangled practices, the manipulation of wedge strategy has certain security and policy implications for contemporary China.

A. The goals and types of Beijing's wedge strategy

At present, in the field of international politics, there are four strategic objectives in wedge strategy including: "realignment" (聯盟重組), "dealignment" (聯盟解除), "prealignment" (聯盟預阻) and

¹⁷ Meng-Li Chang ed., *Art of War by Sun Tzu* (Tainan: Wenguo Bookstore, 1996), pp. 231-254.

¹⁸ *Ibid.*, pp. 30-34.

¹⁹ Xi-Fei Wu, *New Translation of Six Readings* (Taipei: Sanmin Press, 1996), pp. 61-68.

²⁰ *Ibid.*, pp. 71-74.

²¹ *Ibid.*, pp. 194-195.

“disalignment”（聯盟分化）。Realignment strategies seek to shift a target state from an opposing alliance to a friendly one. Dealignment means that a dividing state using a dealignment strategy tries to induce the target's neutrality, a less costly and less dangerous form of defection than realignment. A prealignment strategy seeks to preserve the neutrality of a target that is not yet formally allied but is prone to join the enemy camp. Finally, the disalignment means that a divider using a disalignment strategy seeks to weaken a target's cooperation within an opposing bloc, without trying to convert the target into a neutral or an ally.²² In addition to the relatively broad scope of prealignment, other wedge strategic objectives are relatively clear.

B. Understand the importance of Beijing's wedge strategic operations

In the realist thinking of international politics, the theory of the balance of power is an essential guiding direction while national policy makers are dealing with foreign relations. Theoretically, the operation of power balancing includes “internal balancing” and “external balancing.”²³ The former means that a state needs to strengthen its own military forces by performing military modernization process, the latter means that a state needs to ally with other states to resist external threats, weakening the united forces of the hostile alliance by conducting the methods of “bandwagoning,” “balking,” “buck-passing,” “infiltrating” and so on.²⁴ Accordingly, the notion of wedge strategy is closely related to external balance, and the CCP's united front work under sharp power in overseas is an application of external balance.

²² Timothy Crawford, *op. cit.*, pp. 164-166.

²³ Jack Levy, “What Do Great Powers Balance Against and When?” in T. V. Paul, James Wirtz and Michael Fortmann eds., *Balance of Power: Theory and Practice in the 21st Century* (Stanford: Stanford University Press, 2004), p. 35.

²⁴ Jack Levy, *ibid.*, p. 169.

Moreover, the research of wedge strategy in the field of international politics has accumulated considerable historical experiences. In practice, studying wedge strategy can help national leaders/elites to recognize the possible origins of war, to make effective policies to cope with enemies, and to consolidate state's internal solidarity and external alliance.²⁵ Other than the aforesaid, the study of the wedge strategy also helps scholars or policy makers to understand the reasons of the failure of power balancing strategy and can strengthen the research and discourse of balance of power in the field of international relations.²⁶

Briefly, the research of wedge strategy has three meanings in terms of theory, reality and policy. First, theoretical study on the wedge strategy can increase the understanding of the concepts, means and mechanisms of the strategy. Second, the study of the wedge strategy in real world can deepen the understanding of global power struggle nowadays. Third, through the study of the strategy we not only can improve foreign policy decision-making, but also can amend our diplomatic behavior for national security.

Since the first and second world wars, Australia's national security has been almost depending on a base of its great power alliance, first the UK and then the US. So far, the preference for allying with great/super power(s) can be said to be the core of Australia's strategic culture that shapes its national security.²⁷ To date, Australia is not only the member of "The Australia, New Zealand, United States Security Treaty" (ANZUS Treaty),

²⁵ Jacks Levy and William Thompson, *Causes of War* (Chichester: Wiley-Blackwell, 2010), pp. 64-65.

²⁶ John A. Vasquez and Colin Elman, eds., *Realism and the Balance of Power: A New Debate* (Upper Saddle River: Prentice Hall, 2003), pp. 23-48.

²⁷ Paul An-Hao Huang, "Interpretation of the Security Concept of a Middle Power from Australia's 2017 Foreign Policy White Paper," *Taipei Forum*, January 3, 2018, http://140.119.184.164/view_pdf/427.pdf

but also the member of the “Five Eyes” (United Kingdom-United States Communications Intelligence Agreement in 1946)²⁸ along with the US, the UK, Canada and New Zealand. Base on the ANZUS structure, Canberra and Washington built the “Australia-US Ministerial Consultation” (AUSMIN) since 1985, which is the main annual forum for consultations between Australia and the US. For countering an expansionist China, Australia is trying to strengthen the “Democracy Diamond” strategic alliance (also known as the QUAD) with the US, Japan and India.²⁹ This shows that international alliance and diplomatic multilateralism are the basis for Australia’s construction of a security environment.³⁰ In the face of the current situation of Australia’s alliance with like-minded powers, China’s operational wedge strategy through the carrier of sharp power is to divide the alliance for the strategic goal of disalignment through dividing Australia from US-led bloc by manipulating the approach of united front.³¹

Principally, the wedge strategy is broadly divided into two types: the “offensive wedge strategy” and the “defensive wedge strategy.” The offensive wedge strategy means that states with offensive intent use wedge strategy to reduce the possibility of external containment and then cause the failure of opposing alliance’s power balancing policy. The defensive wedge strategy seeks to undermine potential aggressors and to weaken or isolate

²⁸ Andrew O’Neil, “Five Eyes and the Perils of an Asymmetric Alliance,” *Australian Outlook*, July 27, 2017, <http://www.internationalaffairs.org.au/australianoutlook/five-eyes-asymmetric-alliance/>

²⁹ Cheng-fung Lu, “Australia and the Revival of the Quadrilateral Security Dialogue,” *Prospect Journal*, No. 19, April 2018, pp. 73-93; Dhruva Jaishankar, “The real significance of the Quad,” *The Strategist*, October 24, 2018, <https://www.aspistrategist.org.au/the-real-significance-of-the-quad/>

³⁰ Shinzo Abe, “Asia’s Democratic Security Diamond,” *Project Syndicate*, December 27, 2012, <http://www.project-syndicate.org/commentary/a-strategic-alliance-for-japan-and-india-by-shinzo-abe?barrier=accesspaylog>

³¹ Jonas Parello-Plesner and Belinda Li, *op. cit.*, p. 4.

major threats by preventing opposing alliance from using wedge strategy against itself. However, there is still controversial in the academic community about the distinction between the offensive wedge strategy and the defensive one.³² In terms of China's recent behavior of disalignment towards democratic countries such as Australia, this study thus classifies China's wedge strategy as the offensive one. From the phenomenon of China's rise, precisely, sharp power is the presentation of China's influence in democratic countries, and wedge strategy with united front work is its means for achieving its strategic purpose of uniting with lesser enemies to defeat great ones in the world.³³

III. China's Infiltration of Australia: Cases of the Chinese Wedge Strategic Practice

Jonas Parello-Plesner and Belinda Li, scholars at the Hudson Institute in Washington DC, recently published a report on "The Chinese Communist Party's Foreign Interference Operations: How the US and Other Democracies Should Respond." In the report, they use the term "Western Enablers" to describe the Westerners who are willing to cooperate with the CCP, promoting the expansion of China's international influence.³⁴ Superficially, this term refers to many dignitaries in the US; obviously, the term also refers to pro-Chinese dignitaries in other countries. Australia turning to a fully open attitude towards China can directly trace back to the period of Kevin Rudd as the prime minister of Australia (first time in office, from 3 December 2007 to 24 June 2010; second time in office, from 27 June 2013 to 18 September 2013). Even though Rudd's term of office was less than three years, his pro-China policy has already caused great impact on

³² Timothy Crawford, *op. cit.*, pp. 175-187.

³³ Alexander Bowe, "China's Overseas United Front Work: Background and Implications for the United States," U.S.-China Economic and Security Review Commission Staff Research Report, August 24, 2018, pp. 3-6.

³⁴ Jonas Parello-Plesner and Belinda Li, *op. cit.*, p. 12.

Australia. Specifically, Rudd as a national leader, who ignored the threat of the CCP, is said to be responsible for the Chinese “silent invasion” of Australia.

Because China's political ideology is different from that of western democracies, the goal of the CCP's united front is to quell dissenting and negative voices at home and abroad. Beijing is trying to use available national resources at all costs to support united front work under its governmental organizations of national security and foreign affairs overseas, for keeping overseas Chinese dissidents under surveillance and control, affecting public opinion and government policy making in targeted states, and weakening its international alliances.³⁵ Apparently, China's infiltration of the West is getting serious, which is arousing the international society's attention to the invasion of China's sharp power.

In 4 June 2017, Australian media group Fairfax Media and Australian Broadcasting Corporation (ABC) produced a TV program called “Four Corners” to discuss the issue of “Power and Influence: How China's Communist Party Is Infiltrating Australia.”³⁶ The program intended to investigate CCP overseas economic interference and political influence operations in Australian democratic system, and found that the CCP's targets ranging from prominent politicians and businesspeople to academics, students, and the Australian public. Dogged investigative reporting in Australia over the past year has produced an unusually detailed picture of Chinese influence operations against a frontline western ally and prompted an encouraging initial reply from Australian government, which is

³⁵ Alexander Bowe, *op. cit.*, pp. 7-8.

³⁶ Nick McKenzie, Richard Baker, Sashka Koloff and Chris Uhlmann, “The Chinese Communist Party's power and influence in Australia,” *ABC News*, March 29, 2018, <http://www.abc.net.au/news/2017-06-04/the-chinese-communist-partys-power-and-influence-in-australia/8584270>

attempting to secure its democratic norms and processes against CCP interference via a legislative overhaul of campaign finance, lobbying, and espionage laws.

Indeed, the Australian media program has aroused great concern of international society. In order to explore the operation of China's united front work/sharp power within Australian territory in depth, the following analysis will focus on several dimensions in regard to wedge strategy.

A. Diplomatic interference

Sheri Yan (嚴雪瑞), the former head of the Global Sustainability Foundation, met with Roger Uren, a former Australian intelligence officer at the Australian Embassy in New York, when she went to the US in 1987 (while working for China International Broadcasting Corporation). At that time, Uren was collecting information and related data to write a biography of former CCP intelligence leader Kang Sheng (康生, 1898-1975),³⁷ while Yan was his research assistant then. In 1992, after his tenure of the office had lapsed in the US, Uren was posted back to Canberra and finally got a promotion to the position of deputy director at the Office of National Assessments (ONA) before his retirement. During this time, Uren's wife Yan had become an important figure among the political and economic leaders in Washington, Beijing and Canberra through her fluent Chinese and English languages and flexible communication skills.³⁸

After Uren left office in 2001, he established Global Sustainability

³⁷ John Byron and Robert Pack, *The Claws of the Dragon: Kang Sheng, the Evil Genius Behind Mao and His Legacy of Terror in People's China* (NY: Simon & Schuster, 1992). Roger Uren is under the pseudonym John Byron of the book.

³⁸ Chris Wood, "Why an obscure memoir by a former Australian diplomat and veteran of Hong Kong's Phoenix TV is creating a flutter," *Post Magazine*, June 9, 2017, <http://www.scmp.com/magazines/post-magazine/short-reads/article/2097505/why-obscure-memoir-former-australian-diplomat>

Foundation, GSF and assigned Yen as the head of the foundation. Although the GSF is a non-profit organization, it engages in politics, business, media, mediation, consultation and lobbyism among the US, China, Australia and the UN as well. Yan's VIP guests at the time included Frank Lowy, the owner of Westfield Group, former Australian Prime Minister Kevin Rudd and John Howard, American computer software tycoon Peter Norton, and former US President Clinton, the former United Nations General Assembly President John Ashe, etc.³⁹

On October 16, 2015, Yan was arrested by the US Federal Bureau of Investigation (FBI) for bribing the former UN General Assembly President John Ashe with a million US dollars and was sentenced to 20 months imprisonment in New York court on 20 January 2016.⁴⁰ At the same time, the Australian Federal Police had searched many confidential documents of Australian intelligence agencies at her home. According to reports, it may be that Uren had illegally taken them home when he was working for ONA. The confidential documents include "Western intelligence agencies understand the details of Chinese intelligence mechanisms."⁴¹ Yan was also publicly identified by the media as a CCP spy with a great political influence in Canberra and Washington. If she had already handed over those confidential documents to the Beijing authorities, it would be the most serious national security issue to Australia.

³⁹ Nick McKenzie, Chris Uhlmann, Richard Baker and Daniel Flitton, "Sheri Yan, jailed for bribing UN official, was target of secret ASIO raid in 2015," *ABC News*, June 6, 2017, <http://www.abc.net.au/news/2017-06-05/sheri-yan-suspected-of-being-spy-secret-asio-raid/8585278>

⁴⁰ The Associated Press, "Woman Involved in U.N. Corruption Case Is Given 20 Months in Prison," *The New York Times*, July 26, 2017, <http://www.nytimes.com/2016/07/30/afternoonupdate/woman-involved-in-un-corruption-case-is-given-20-months-in-prison.html>

⁴¹ Nick McKenzie, Chris Uhlmann, Richard Baker and Daniel Flitton, *op. cit.*

B. Political contributions

Almost all Western democracies ban foreign political contribution, but Australia is the only one exception. There is no legislation in Australia stating that government should prohibit political donations from foreigners; therefore, the members of Congress and even the members of the Cabinet may be affected by foreign political contributions, and even the governmental policy-making direction. The participation of Chinese rich and powerful businessmen in local politics is mostly based on the provision of political contributions. Buying influence with China-linked money has become an important way for the CCP to infiltrate Australian politics.

Chau Chak Wing (周澤榮) is a distinct example. He is a Chinese-born Australian property developer and billionaire philanthropist known for his business Kingold Group (僑鑫集團) based in Guangzhou, China. The Group is mainly engaged in land development and real estate transactions in Guangzhou, thus he becomes rich. The relationship between Chau and Yan is very close. Sheri Yan once served as an advisor to Chau and expanded the relationship between transnational political and economic nepotism for him. Chau also runs newspapers in China and Australia and is a member of the Chinese People's Political Consultative Conference (CPPCC) of the CCP in Guangdong. Moreover, he has a very good relations with the CCP Propaganda Department and the CPPCC Shantou City Committee (政協汕頭市委員會). Several years ago, Chau was named in an FBI investigation in the case of bribery of the former president of the UN General Assembly, John Ashe. The FBI alleged Chau paid John Ashe 200,000 US dollars in November 2013 via Sheri Yan, who was suspected by ASIO of Chinese intelligence activity, on behalf of the CCP. Chau

strenuously denied any involvement.⁴²

Chau is famous for his political donations in Australia. He is a citizen of Australia, from Chaozhou, China, and known for the 70 million Australian dollars purchase of the house of James Packer in 2015. He donated 20 million for the construction of the “Dr. Chau Chak Wing Building,” part of the University of Technology of Sydney in Sydney, and another 15 million for the construction of a new museum in the University of Sydney. He was Australia’s largest overseas-based political donor, and once donated 4 million Australian dollar political donations to both the opposition (Australian Labor Party) and the ruling coalition (Liberal–National Coalition), so it is hard to see his political tendencies in Australia.⁴³ Because Australia had no legislation to prohibit foreign political donations back then (before 2018), so the Australian public opinion and intelligence agencies are in fact the most concerned about the issue is whether the CCP through their political donations to intervene in Australia’s political operation and policy development? The approach of political donation may therefore become a weak link in the political operation of Australian political parties.

C. Policy impact

There is a special case of political donations in Australia that the Chinese people are ranked first among non-Australian donors. Here, taking Huang Xiangmo (黃向墨), a permanent Australian resident, for example. Huang is a member of the CPPCC Jieyang City committee (政協揭陽市委

⁴² Amy Remeikis and Katharine Murphy, “Chinese-Australian billionaire involved in UN bribery case, MP claims,” *The Guardian*, May 23, 2018, <https://www.theguardian.com/world/2018/may/22/chinese-australian-billionaire-involved-in-un-bribery-case-mp-claims>

⁴³ Paul An-Hao Huang, “The CCP’s Political and Economic Infiltration in Australia,” *Taipei Forum*, August 24, 2017, http://140.119.184.164/view_pdf/394.pdf

員會)。In 2003, he founded Shenzhen Yuhu Investment Group (深圳玉湖投資集團) and Yuhu Group Co., Ltd. Now, he is president of the Australian branch of the China Council for the Promotion of Peaceful National Reunification, an organization run by the CCP's United Front Work Department. He is the pioneer of the United Front Work in Australia,⁴⁴ and gave a lot of political donations in Canberra. Like Chau Chak Wing, Huang also donated to both sides of the ruling party and the opposition, thus having a certain influence on Australian politics.⁴⁵

The CCP-linked donor Huang Xiangmo had one of the most controversial political donations, the year before the 2016 Australian election, Huang promised to donate 400,000 Australian dollars to the Labor Party, but just a few weeks before the election, he withdrawn the pledge, because there was a Labor Party member's speech mentioned that the Australian government should participate the US-led South China Sea Patrol. Huang regarded the speech as a challenge to China's sovereignty of the South China Sea.⁴⁶ On the contrary, former Australian Senator Sam Dastyari, an Australian Labor Party member, was forced to resign as senator because he was accused of being disloyal to Australia by publicly backing Beijing's position on the South China Sea by accepting Chinese billionaire Huang's money and payment for travel.⁴⁷ Clearly, Huang's behaviors were

⁴⁴ Alex Joske, "Framing the Australia–China relationship," *The Strategist*, April 24, 2018, <http://www.aspistrategist.org.au/framing-australia-china-relationship/>

⁴⁵ Staff writers, "Chinese donor Huang Xiangmo's \$2 million party challenge to Liberal and Labor," *NEWS.COM.AU*, March 2, 2018, <http://www.news.com.au/national/politics/chinese-donor-huang-xiangmos-2-million-party-challenge-to-liberal-and-labor/news-story/17d8d657e5347ec173d64cfa8f50cb99>

⁴⁶ Editors, "Sam Dastyari contradicted South China Sea policy a day after Chinese donor's alleged threat," *The Guardian*, June 5, 2017, <http://www.theguardian.com/australia-news/2017/jun/05/sam-dastyari-contradicted-south-china-sea-policy-a-day-after-chinese-donors-alleged-threat>

⁴⁷ Katharine Murphy, "Sam Dastyari told to resign from Senate positions after China revelation," *The Guardian*, November 29, 2017, <http://www.theguardian.com/australia-news/2017/nov/30/sam-dastyari-told-to-resign-fro>

designated to influence Canberra's South China Sea policy with political donations, and ultimately to divide the relations between Australia and its allies on the issue of the South China Sea. In February 2019, the Australian authorities barred Huang's bid for citizenship and revoked his permanent residency, and he was "effectively barred from re-entering Australia."⁴⁸

D. Port rental

In October 2015, the Northern Territory Government of Australia signed a lease agreement with the Chinese Landbridge Group (嵐橋集團) for a total of 506 million Australian dollars to lease the Port of Darwin terminal and facilities to the People's Liberation Army closely related business group. The Australian military senior official expressed deep concern about the group's 99-year leasehold right of Port Darwin in the Northern Territory. This case has raised concerns among the US and Australia and other allies, since their ships access to Port Darwin may need to be monitored by the Chinese side. It is noteworthy that this case has a possible connection with China's "One Belt, One Road" strategic layout in the South Pacific.⁴⁹

In the viewpoint of geopolitics, the position of Port Darwin has an important strategic value for regional security. On 16 November 2011, the former Australian Prime Minister Julia Gillard and US President Barack Obama announced that the US would station troops in Australia for the first

m-senate-positions-after-china-revelation
⁴⁸ Christopher Knaus, "'Give back my money': banned billionaire Huang Xiangmo hits out at political parties," *The Guardian*, February 8, 2019, <https://www.theguardian.com/australia-news/2019/feb/08/give-back-my-money-banned-billionaire-huang-xiangmo-hits-out-at-political-parties>
⁴⁹ Summer Zhen, "Chinese company Landbridge wins 99-year lease on northern Australia's Darwin port," *South China Morning Post*, October 14, 2015, <http://www.scmp.com/business/companies/article/1867514/chinese-company-landbridge-wins-99-year-lease-northern-australias>

time since World War II. The agreement between the US and Australia would involve a contingent of 250 Marines arriving in Darwin in 2012, with the total number rising to a maximum of 2,500 troops by 2017 on six-month rotations as well as a supporting air element including F-22 Raptors, F-35 Joint Strike Fighters and KC-135 refuelers.⁵⁰

At the time, China and Indonesia had expressed concern about the Australia-US decision. Some analysts argued that an expanded US presence could pose a threat to security. Gillard announced that the first 200 US Marines had arrived in Darwin from Hawaii on late 3 April 2012. In 2013, further news of other expansion vectors was aired in US media, with no comment or confirmation from Australian authorities. The agreement between the two governments remains hidden from public scrutiny. Marine numbers based in Darwin have increased to more than 1,150 troops by 2014. Also, Darwin hosts biennial multi-national exercises named "Exercise Pitch Black,"⁵¹ which is a biennial three-week multi-national large force employment exercise conducted from Royal Australian Air Force (RAAF) Base Darwin and RAAF Base Tindal. The exercise typically hosts up to 2,500 personnel and over 100 aircraft from around the globe including participants from Australia, Canada, France (New Caledonia), Germany, Indonesia, Netherlands, New Zealand, Singapore, Thailand and the US. India first participated the exercise in 2018.

E. Technological plagiarism

According to the 2012 US-Australia Defense Trade Cooperation Treaty, Australia and the US agreed that military-related research in Australian universities should be included in the scope of defense control, but the

⁵⁰ Tom Westbrook, "U.S. Marines arrive in Darwin for Australia, China exercises," *Reuters*, April 18, 2017, <http://www.reuters.com/article/us-australia-usa-defence-idUSKBN17K09N>

⁵¹ Mike Yeo, "Exercise Pitch Black Concludes in Darwin," *The Diplomat*, August 26, 2014, <http://www.thediplomat.com/2014/08/exercise-pitch-black-concludes-in-darwin/>

Chinese National Defense University, in the name of cooperation and development sent military personnel to Australia for research and exchange. During the period of research and exchange for national scientific research projects, China's personnel plagiarized many technologies and transfer them to the Chinese military systematically. These research projects include know-hows in sensitive areas, such as space, artificial intelligence, unmanned vehicles and computer engineering, which may help the PLA to strengthen its military technological capabilities on the battlefield.⁵² Moreover, the partnership between scientists of Australian Universities and researchers of Chinese military could jeopardize Australia's strategic alliance with the US and their mutual trust.

Scientists at Australian universities are collaborating with China's top military technology universities on programs beneficial to the PLA, which is the army of the CCP rather than Chinese people.

According to Clive Hamilton and Alex Joske's investigation, for example, the man at the core of many exchanges with Australian universities is Lieutenant-General Yang Xuejun (楊學軍), who has been a CCP member since the 1980s and was promoted to the party's powerful Central Committee at the 19th Party Congress; the Congress reappointed Xi as party chairman for another five-year term and elevated Yang to a status alongside Mao Zedong as a great leader. Yang is now the dean of the Military Science Research Institute at the National Defense and Science Technology University. He is an important PLA computer science expert and has worked closely with experts from the University of NSW and the University of Sydney in the field of supercomputer research and published

⁵² Tom Iggulden, "Australian universities accused of sharing military technology with China," *ABC News*, December 15, 2017, <http://www.abc.net.au/news/2017-12-15/universities-sharing-military-technology-with-china/9260496>

lots of related academic papers.⁵³ Another example is Professor Xue Jingling (薛京靈) who is a computer engineer at the University of NSW. He has starting to accept the research grant and subsidy from the Chinese Academy of Military Sciences for the project of developing the Tianhe series supercomputers since 2008.⁵⁴

These academic exchanges and research cooperation between China and Australia are just the tip of the iceberg. The acquisition of Australian computer technology will help the CCP to design advanced-sophisticated fighters and to test tactical nuclear bombs or missiles, which will increase the PLA's military deterrence and enhance China's hegemonic influence.

F. Academic manipulation

In general, people always thought that the academia is relatively neutral when doing China studies, and the academic community can conduct China studies in an independent and objective way, providing outside both positive and negative views on China. However, the neutral academic community is more beneficial to the CCP, because controlling the academic circle can shape the positive and bright opinions for China that is beneficial to Beijing, so the CCP does not give up its infiltration and control in academia.

Take the Australia-China Relations Institute (ACRI) at the University of Technology Sydney (UTS) for instance, the ACRI was established in 2014 and supported by Chau Chak Wing and Huang Xiangmo. The former Australian Foreign Minister Bob Carr was the first president of the institute

⁵³ Clive Hamilton and Alex Joske, "Australian universities are helping China's military surpass the United States," *The Sydney Morning Herald*, October 27, 2017, <http://www.smh.com.au/world/australian-universities-are-helping-chinas-military-surpass-the-united-states-20171024-gz780x.html>

⁵⁴ *Ibid.*

after he left from office.⁵⁵ In fact, UTS had a China Center, which is specializing in Chinese issues, but it was shut down due to UTS agreed Falun Gong members to hold painting exhibition at the center, thus the CCP pile the pressure on the University to close China Center, creating the pro-China ACRI to replace the original one through donations from Chinese businessmen Chau and Huang.⁵⁶

Furthermore, Associate Professor Chongyi Feng (馮崇義), who is a Chinese-born Australian citizen and a Chinese human rights expert at UTS, was concerned about Chinese human rights issues for a long time. His current research focuses on intellectual and political development in modern and contemporary China, exploring the intellectual and political changes, the growth of rights consciousness and democratic forces. In March 2017, Feng was detained by Chinese officials, unable to board his flight home to Sydney. He was held and interrogated for 10 days by China's security agents on suspicion of endangering national security before being allowed to return to Australia in April.⁵⁷ Given Feng is a dissent on China's human rights for the CCP, the institute refused him to participate in their research. Although Feng and the ACRI are both in the same school, the institute emphasized

⁵⁵ Rachel Baxendale, "Huang Xiangmo's \$ 1.8m gift to Bob Carr's think tank queried," *The Australian*, December 13, 2017, <http://www.theaustralian.com.au/national-affairs/foreign-affairs/huang-xiangmos-18m-gift-to-bob-carrs-think-tank-queried/news-story/01b3a78639c266cc6124cd9e5cb65737>

⁵⁶ Jame Leibold, "The Australia-China Relations Institute doesn't belong at UTS," *The Conversation*, June 5, 2017, <http://www.theconversation.com/the-australia-china-relations-institute-doesnt-belong-at-uts-78743>

⁵⁷ Chang Pei-Yuan, "Feng Chongyi was forced to agree to shut up then China let him go," *The Liberty Times*, April 3, 2017, <http://www.news.ltn.com.tw/news/world/paper/1091226>; Emily Tate, "China Bars Professor from Returning to Australia," *Inside Higher Ed* (Washington D.C.), March 27, 2017, <http://www.insidehighered.com/quicktakes/2017/03/27/china-bars-professor-returning-australia>

that the institute is an independent research organization and academic research is not affected without him.

G. Inciting overseas students

China is one of the major countries that exports international students to Western countries. To recipient countries, having a large number of international students not only can increase the funding for higher education in local universities, but also can provide sufficient advanced academic research manpower. However, under the CCP's overseas intelligence work structure, international students are the most available objects to help China gain political leverage. At present, there are two dimensions of the CCP's monitor and control on overseas Chinese students as follows:

(A) Coordinate overseas Chinese scholar and student organizations

In addition to the Confucius Institutes in overseas, many "Chinese Students and Scholars Association," or so-called CSSA, have currently been established in major universities in the West. In many colleges and universities, the introduction of the CSSA's articles of association or the websites all mentions clearly that the CSSAs are supervised by the Chinese consulates in different countries.⁵⁸ It is worth noting that student cadres of the CSSAs are almost loyal and patriotic CCP members. They are the bridge between Chinese consulates and the local academic associations. Their main task is to assist the government in terms of intelligence work in campus.

The Chinese consulate always tries to control the CSSA directly through funding student activities and consultations. The purpose of providing money is to manipulate Chinese students to monitor social

⁵⁸ Anders Corr, "Ban Official Chinese Student Organizations Abroad," *Forbes*, June 4, 2017, <http://www.forbes.com/sites/anderscorr/2017/06/04/ban-official-chinese-student-organizations-abroad/>

movements, Falun Gong, other dissidents and get related foreign information directly through the CSSA. Basically, offering money is a tacit agreement between the Chinese consulates and the CSSAs, but, in principle, those associations are established in Australia should not take the money of the foreign (Chinese) government, since the CSSAs are registered in Australia not in China, they should comply with the laws of the local country.

(B) Use overseas Chinese student patriotism

Meriden Varrall, Director of the Lowy Institute for International Policy, published a report titled “A Chinese Threat to Australian Openness” in the *New York Times* on 31 July 2017. The article mentions that the Chinese consulates not only monitor local Chinese scholars and international students, but also encourage CSSA students to report the people who publicly disagree with and criticizes the Chinese government.

There are currently about 150,000 visiting Chinese students studying in Australia. Since many overseas Chinese students have internalized the CCP's ideology and pro-Beijing position, they are angry and feel disgusted with the classroom or seminar of Japanese issues, cross-strait issues, Tibet issues, the South China Sea issues and even human rights issues. Moreover, they will try to stifle openness and debate in classroom.⁵⁹ This phenomenon is detrimental to Australia's freedom and openness of higher education environment. If the CCP intends to incite Chinese students' nationalism, then the freedom of academia and speech in the campus of Australian universities will be seriously challenged.

⁵⁹ Merriden Varrall, “A Chinese Threat to Australian Openness,” *The New York Times*, July 31, 2017, <http://www.nytimes.com/2017/07/31/opinion/australia-chinese-students.html>

IV. Can Australia Dull Chinese Sharp Power with United Front Work?

In recent years, China has spent a lot of money in Australia to set up Confucius Institutes and providing funds, grants and scholarships to sweeten scholars and students. Also, China is trying to influence political parties for interference, to manipulate the media for propaganda, to bribe politicians for political lobby for infiltration, to hire retired prime ministers, ministers, members of parliament, etc. with huge political contributions and high salary for working for policy influence. Those China's blatant behavior of interference and infiltration in Australia are incredible. This situation may damage Australia's national security.

Australians are increasingly concerned about China's growing influence in the country. According to "Dollars and Democracy Database" of the Law School at the University of Melbourne and the data from Australian Electoral Commission, there are almost 80% foreign political donations made to Australia are linked to China since the year 2000.⁶⁰ Chinese donors poured just over 12.6 million into the Australian political process from 2000 to 2016, which represented 79.3% of all foreign donations, according to the analysis by the Dollars and Democracy Database of Melbourne Law School. An analysis of Australian Electoral Commission data suggests an overwhelming proportion of the millions spent by foreign donors comes from Chinese nationals or entities.

Under the influence of China's sharp power with money as its carrier, China's economic infiltration and political intervention is everywhere in Australia, which directly affects the direction of Australia's foreign policy.

⁶⁰ Luke Henriques Gomes, "Nearly 80 per cent of foreign political donations come from China, data shows," *The New Daily*, December 10, 2017, <http://www.thenewdaily.com.au/news/national/2017/12/10/chinese-donations-australia/>

Theoretically, transparency is the best defense to China's sharp power.⁶¹ In addition to Australian media's exposure of China's offensive behavior, the current Australian government's countermeasures are as follows:

A. Strengthen information/intelligence organization

Australia is concerned about foreign political interference, which will affect national security; In this respect, the Australian Security Intelligence Organization (ASIO) has decided to fully investigate the intelligence system. The investigation plan will be led by Australia's former intelligence director Dennis Richardson, who will examine how the state and local intelligence agencies share information and data. Moreover, the relevant units at home and abroad will also cooperate with this action. Christian Porter, the Australian attorney general, also said that the investigation will be the ASIO's largest inspection operation since the 1970. Australia is affected by espionage and foreign intervention, the issue of national security continues to change, intelligence units need to have the ability to play as efficient organizations and tools to ensure national security in Australia. The ASIO director Duncan Lewis mentioned that the seriousness of contemporary espionage is more than in the Cold War, the current foreign intervention in Australia is on an unprecedented scale and attempts to influence and shape the perspectives of Australian.⁶²

⁶¹ Editorial Staff, "What to do about China's sharp power," *The Economist*, December 14, 2017,

<http://www.economist.com/leaders/2017/12/14/what-to-do-about-chinas-sharp-power>

⁶² Tara Francis Chan, "Australia's intelligence chief warns of 'unprecedented' foreign interference with more spies now than during the Cold War," *Business Insider*, May 24, 2018,

<http://www.businessinsider.com/australian-intelligence-head-sounds-alarm-over-unprecedented-foreign-interference-2018-5>

B. Establish the anti-espionage department

The Australian Department of Home Affairs currently established a National Counter Foreign Interference Division that will include the ASIO, the Federal Police (AFP), the Department of Defense, the Department of Foreign Affairs and Trade, and other key Government agencies for fighting against foreign espionage. Furthermore, for improving the ability to respond to external threats and subversives, the Australian Government directly set a position for the “National Counter Foreign Interference Coordinator” inside the Ministry of Home Affairs in June 2018, which is similar to the position of the Australian Counter-Terrorism Coordinator, engaged in anti-foreign espionage policies, actions and community interactions.⁶³ The new team for anti-espionage project composed by ASIO and AFP will operate in the light of the current model of Joint Counter Terrorism Taskforce. According to the model, the federal police will send agents to join the joint anti-espionage task force, follow the operation of the FBI's anti-espionage department, investigating suspects who spy on target government on behalf of their governments.

C. Prevent subversion by legislation

Australian law originally did not prohibit political donations from other countries. The Australian government knew clearly about where the political donations were from and by whom. However, the political donations from China alone were opaque, and the Australian authorities did not know its sources and channels. That is to say, since China uses various methods to cover up the sources of fund, Australia has to reveal the facts through legalization. Therefore, the Australian authorities introduced the Electoral

⁶³ Nick McKenzie and Richard Baker, “AFP and ASIO to co-operate on China investigations,” *The Sydney Morning Herald*, January 30, 2018, <http://www.smh.com.au/politics/federal/afp-and-asio-to-co-operate-on-china-investigations-20180129-p4yz0n.html>

Legislation Amendment (Electoral Funding and Disclosure Reform) Bill 2017, trying to separate political donations from home and abroad to curb foreign intervention in internal affairs.

Additionally, in June 2018, the Australian government has articulated National Security Law Amendment followed the legislation and application of the US Foreign Agents Registration Act,⁶⁴ which includes Anti-Espionage Law and Anti-Foreign Interference Law. In the new Bill, Australian government clearly states that all foreign companies or individuals are not allowed to provide political donations.⁶⁵ Those who work for foreign government(s) or foreign institution(s) need to register, and people who interfere with Australian democratic development, policy direction, political rights or obligations will also be considered a crime, even if they are not involved in espionage.

D. Reinforce democratic education

Some newly Chinese immigrants in Western democracies still remain loyal to the CCP and hold nationalist sentiments towards China. Western democracies must pay special attention to the CCP's united front policy against the Chinese diaspora, because the counter-intelligence activities of the united front will threaten dissidents in overseas Chinese communities and challenge local democratic values.⁶⁶ Frankly, the Australian government's legislative approach as a preventive measure cannot fully

⁶⁴ Foreign Agents Registration Act is a United States law passed in 1938 requiring that agents representing the interests of foreign powers in a "political or quasi-political capacity" disclose their relationship with the foreign government and information about related activities and finances. Refer to Justice, National Security Division, U.S. Department of "Foreign Agents Registration Unit (FARA)," <http://www.fara.gov>

⁶⁵ Michelle Grattan, "China furious, as Government and Labor unite on barriers against foreign interference," *ABC News*, June 8, 2018, <http://www.abc.net.au/news/2018-06-08/china-angry-australian-anti-espionage-laws-political-unity/9848116>

⁶⁶ Jonas Parello-Plesner and Belinda Li, *op. cit.*, p. 46.

counter foreign intervention, infiltration and subversion. Facing China's means of united front, democratic countries should enhance the democratic value of civil society through education and arouse public awareness to maintain a transparent, free and open democratic society. This would be best defense against China's sharp power.

E. Consolidate alliance relations

In response to China's subversion of democratic Australia, the most important thing is to call on the democratic countries to join hands to boycott China's red penetration. Australia's national security is mainly based on the alliance with the US. The Australian "2016 National Defence White Paper"⁶⁷ and the "2017 Foreign Policy White Paper"⁶⁸ both emphasize the importance of ensuring and strengthening the US-Australian alliance as the main axis of Australia's security strategy. This is also a basis for Canberra to engage with China and to construct a stable Australia-China relationship.

Obviously, Australia is strengthening the foundation of the US-Australian alliance for its interaction with China. Australia as an important power in the South Pacific region is targeted by China on strategic level in terms of the southward stretch of "One Belt, One Road" Initiative. Beijing, in recent years, tends to see Australia as its "big backyard" and tries to push the country to deviate from America's orbit and become an ally of China's hegemony.⁶⁹ Other than the aforesaid situation, for the purpose of shutting out China's technological sharp power in the South Pacific region, Papua New Guinea and the Solomon Islands have signed on to a joint

⁶⁷ Australian Government, *2016 Defense White Paper* (Canberra: Department of Defense, 2016), pp. 14, 41-43.

⁶⁸ Australian Government, *2017 Foreign Policy White Paper: Opportunity, Security, Strength* (Canberra: Department of Foreign Affairs and Trade, 2017), p. 7.

⁶⁹ Jonas Parello-Plesner and Belinda Li, *op. cit.*, p. 4.

undersea internet cable project, funded mostly by Australia, that forestalls plans by Chinese Huawei Technologies Co Ltd (華為技術有限公司) to lay the links itself. Some observers believe the decision was not only due to security concerns but also to counter China's growing influence in the region, particularly its use of loans and grants to build infrastructure projects.⁷⁰

As Malcolm Davis, a defense analyst from the Australian Strategic Policy Institute (ASPI), once mentioned, Beijing is “trying to intimidate” Australia. Likewise, Beijing is also trying to gain a strategic advantage in the region. “Ultimately, their goal is to have Australia become more pro-China, less pro-US, align with Beijing and distance itself from the US and ultimately end the alliance.”⁷¹

F. Transfer economic and trade market from China to India

Because Australia's economy and trade are quite relying on China's market, China (the CCP) can use the economic united front means (sharp power) to infiltrate and influence Australia's political society, economic development and foreign policy decisions. Moreover, during the US-China trade war currently, the economy and trade of Australia will be influenced by the spillover effect of the trade war. In order to avoid being infiltrated and affected by China's sharp power and the US-Sino trade war, Australia announced the report of “An India Economic Strategy to 2035” in April

⁷⁰ Liam Fox, “Australia, Solomon Islands, PNG sign undersea cable deal amid criticism from China,” *ABC News*, July 12, 2018, <http://www.abc.net.au/news/2018-07-12/australia-solomon-islands-png-sign-undersea-cable-deal/9983102>

⁷¹ Bill Birtles, “China lodges official complaint after Malcolm Turnbull's comments about foreign interference,” *ABC News*, December 9, 2017, <http://www.abc.net.au/news/2017-12-09/china-lodges-official-complaint-after-turnbulls-comments/9242630>

2018,⁷² trying to improve the current situation of over-reliance on China's import/export market. The report planned to upgrade India to the top three import/export target market of Australia by 2035 to reduce the crisis of Australia's over-reliance on China's economic market.

According to Singapore's *The Straits Times*, the US-Sino trade war escalates, raising tariffs will result in the loss of 500 billion Australian dollars and 60,000 jobs of Australia in 10 years. Even if the trade war is no longer upgraded, Australia's GDP will fall by 0.3%, and the economic loss will be as high as 36 billion Australian dollars in five years.⁷³ In order to avoid national security from the impact of the Chinese sharp power (economic united front work) and the US-Sino trade war, the Australian government is full of confidence in strengthening bilateral economic and trade relations with India. It even believes that India should be preferred rather than China as a priority economic partner for the next 20 years.

The Australian authorities have now actively guarded against the impact of China's sharp power and wedge strategic operations in internal and external affairs. However, how to safeguard human rights and avoid witch hunting when confronting China's sharp power invasion within an open society is still a topic to be addressed. How can we consolidate the alliance to respond to China's offensive influence in the world? Not only Australia, but all democratic countries must face this question while engaging with a more aggressive China.

⁷² Peter N. Varghese AO, *An India Economic Strategy to 2035: Navigating from Potential to Delivery* (Canberra: Department of Foreign Affairs and Trade, Australia, 2018), <https://dfat.gov.au/geo/india/ies/pdf/dfat-an-india-economic-strategy-to-2035.pdf>

⁷³ Jonathan Pearlman, "Australia fears fallout from US-China trade war," *The Straits Times*, September 29, 2018, <http://https://www.straitstimes.com/asia/australianz/australia-fears-fallout-from-us-china-trade-war>

V. Conclusion

The expansion of China's sharp power is mainly to influence and interfere the democracies through economic platform, and to infiltrate and divide the internal and external affairs of the target states through wedge strategic thinking. Beijing's purpose is to unite pro-China democracies to shrink the influence of the US in the region to gain the strategic leverage against the US.

In general, the results of China's economic infiltration and political intervention in democracies are sometimes difficult to observe, and their consequences are also unable to be recognized easily. Australia's response to China's invasion of sharp power was described by Beijing authorities as "irresponsible and paranoid." However, should the means did not have a substantial effect, Beijing would probably not have spent big money to buy influence in the first place. The truth is such "Chinese magic" does generate a certain political and economic rewards. However, there are just few China's clandestine activities of infiltration and subversion brought to light. Thus, the issue of China's behavior of wedge strategy under sharp power in the world still needs more time to observe and study.

Tolerance is set on the core value of our democracy, but political philosopher Karl Popper in his book of *Open Society and Its Enemies* mentioned that "unlimited tolerance must lead to the disappearance of tolerance." Nevertheless, sharp power under authoritarianism is designated to do the opposite. Tolerance may no longer be a merit when the beliefs of the democratic system may be jeopardized by sharp power. Specifically, appeasement towards China's silent invasion of democracies will eventually lead to the collapse of entire democratic values and the erosion of national sovereignty, since the CCP is commonly hold a hostile attitude towards the idea of open society. The Australian case has already rung the bell through media, news and reports worldwide. Governments and citizens in the democratic world now look at themselves and try to re-examine the activities of the CCP within their own national borders.

Bibliography

- Abe, Shinzo, "Asia's Democratic Security Diamond," *Project Syndicate*, December 27, 2012, <https://www.project-syndicate.org/commentary/a-strategic-alliance-for-japan-and-india-by-shinzo-abe?barrier=accesspaylog>
- Australian Government, *2016 Defense White Paper* (Canberra: Department of Defense, 2016).
- Australian Government, *2017 Foreign Policy White Paper: Opportunity, Security, Strength* (Canberra: Department of Foreign Affairs and Trade, 2017).
- Baldwin, David, *Economic Statecraft* (NJ: Princeton University Press, 1985).
- Baxendale, Rachel, "Huang Xiangmo's \$ 1.8m gift to Bob Carr's think tank queried," *The Australian*, December 13, 2017, <https://www.theaustralian.com.au/national-affairs/foreign-affairs/huang-xiangmos-18m-gift-to-bob-carrs-think-tank-queried/news-story/01b3a78639c266cc6124cd9e5cb65737>
- Birtles, Bill, "China lodges official complaint after Malcolm Turnbull's comments about foreign interference," *ABC News*, December 9, 2017, <http://www.abc.net.au/news/2017-12-09/china-lodges-official-complaint-after-turnbulls-comments/9242630>
- Bowe, Alexander, "China's Overseas United Front Work: Background and Implications for the United States," Staff Research Report, U.S.-China Economic and Security Review Commission, August 24, 2018.
- Brady, Anne-Marie, *Magic Weapons: China's Political Influence Activities under Xi Jinping*, Wilson Center, September 2017, https://www.wilsoncenter.org/sites/default/files/for_website_magicweaponsanne-mariesbradyseptember2017.pdf
- Byron, John and Robert Pack, *The Claws of the Dragon: Kang Sheng, the Evil Genius Behind Mao and His Legacy of Terror in People's China* (NY: Simon & Schuster, 1992).
- Chan, Tara Francis, "Australia's intelligence chief warns of 'unprecedented' foreign interference with more spies now than during the Cold War," *Business Insider*, May 24, 2018,

<http://www.businessinsider.com/australian-intelligence-head-sounds-alarm-over-unprecedented-foreign-interference-2018-5>

- Chang, Meng-Li, ed., *Art of War by Sun Tzu* (Tainan: Wenguo Bookstore, 1996).
- Chang, Pei-Yuan, "Feng Chongyi was forced to agree to shut up then China let him go," *The Liberty Times*, April 3, 2017, <http://www.news.ltn.com.tw/news/world/paper/1091226>
- Corr, Anders, "Ban Official Chinese Student Organizations Abroad," *Forbes*, June 4, 2017, <https://www.forbes.com/sites/anderscorr/2017/06/04/ban-official-chinese-student-organizations-abroad/>
- Crawford, Timothy, "Preventing Enemy Coalitions: How Wedge Strategies Shape Power Politics," *International Security*, Vol. 35, No. 4 (Spring 2011), pp. 155-189.
- Department of Policy Planning, Ministry of Foreign Affairs of the Peoples' Republic of China, ed., *China's Foreign Affairs 2005* (English Edition) (Beijing: World Knowledge Press, 2005).
- Editorial Staff, "What to do about China's sharp power," *The Economist*, December 14, 2017, <https://www.economist.com/leaders/2017/12/14/what-to-do-about-chinas-sharp-power>
- Editors, "Sam Dastyari contradicted South China Sea policy a day after Chinese donor's alleged threat," *The Guardian*, June 5, 2017, <https://www.theguardian.com/australia-news/2017/jun/05/sam-dastyari-contradicted-south-china-sea-policy-a-day-after-chinese-donors-alleged-threat>
- Fox, Liam, "Australia, Solomon Islands, PNG sign undersea cable deal amid criticism from China," *ABC News*, July 12, 2018, <http://www.abc.net.au/news/2018-07-12/australia-solomon-islands-png-sign-undersea-cable-deal/9983102>
- Gomes, Luke Henriques, "Nearly 80 percent of foreign political donations come from China, data shows," *The New Daily*, December 10, 2017, <https://thenewdaily.com.au/news/national/2017/12/10/chinese-donations-australia/>

Grattan, Michelle, "China furious, as Government and Labor unite on barriers against foreign interference," *ABC News*, June 8, 2018, <http://www.abc.net.au/news/2018-06-08/china-angry-australian-anti-espionage-laws-political-unity/9848116>

Hamilton, Clive and Alex Joske, "Australian universities are helping China's military surpass the United States," *The Sydney Morning Herald*, October 27, 2017, <https://www.smh.com.au/world/australian-universities-are-helping-china-as-military-surpass-the-united-states-20171024-gz780x.html>

Huang, Paul An-Hao, "Interpretation of the Security Concept of a Middle Power from Australia's 2017 Foreign Policy White Paper," *Taipei Forum*, January 3, 2018, http://140.119.184.164/view_pdf/427.pdf

Huang, Paul An-Hao, "The CCP's Political and Economic Infiltration in Australia," *Taipei Forum*, August 24, 2017, http://140.119.184.164/view_pdf/394.pdf

Iggulden, Tom, "Australian universities accused of sharing military technology with China," *ABC News*, December 15, 2017, <http://www.abc.net.au/news/2017-12-15/universities-sharing-military-technology-with-china/9260496>

Izumikawa, Yasuhiro, "To Coerce or Reward? Theorizing Wedge Strategies in Alliance Politics," *Security Studies*, Vol. 22, Iss. 3 (August 2013), pp. 498-531.

Jaishankar, Dhruva, "The real significance of the Quad," *The Strategist*, October 24, 2018, <https://www.aspistrategist.org.au/the-real-significance-of-the-quad/>

Joske, Alex, "Framing the Australia–China relationship," *The Strategist*, April 24, 2018, <https://www.aspistrategist.org.au/framing-australia-china-relationship/>

Khalilzad, Zalmay, "The Case for Congagement with China," *National Interest*, June 19, 2017, <http://www.nationalinterest.org/feature/the-case-congagement-china-21232>

Knaus, Christopher, "'Give back my money': banned billionaire Huang Xiangmo hits out at political parties," *The Guardian*, February 8, 2019, <https://www.theguardian.com/australia-news/2019/feb/08/give-back-m>

y-money-banned-billionaire-huang-xiangmo-hits-out-at-political-parties

- Kuo, Lily, and Niko Kommenda, "What is China's Belt and Road Initiative?" *The Guardian*, July 30, 2018, <https://www.theguardian.com/cities/ng-interactive/2018/jul/30/what-china-belt-road-initiative-silk-road-explainer>
- Leibold, Jame, "The Australia-China Relations Institute doesn't belong at UTS," *The Conversation*, June 5, 2017, <https://theconversation.com/the-australia-china-relations-institute-doesnt-belong-at-uts-78743>
- Levy, Jack S. and William R. Thompson, *Causes of War* (Chichester: Wiley-Blackwell, 2010).
- Levy, Jack, "What Do Great Powers Balance Against and When?" in T. V. Paul, James Wirtz and Michael Fortmann eds., *Balance of Power: Theory and Practice in the 21st Century* (Stanford: Stanford University Press, 2004).
- Liu, Jun, "The US Factor in the Formation and Breaking of the Sino-Soviet Alliance," *Journal of East China Normal University*, Vol. 39, No. 3 (May 2007), pp. 9-13.
- Lu, Cheng-fung, "Australia and the Revival of the Quadrilateral Security Dialogue," *Prospect Journal*, No. 19, 2018, pp. 73-93.
- McKenzie, Nick and Richard Baker, "AFP and ASIO to co-operate on China investigations," *The Sydney Morning Herald*, January 30, 2018, <https://www.smh.com.au/politics/federal/afp-and-asio-to-co-operate-on-china-investigations-20180129-p4yz0n.html>
- McKenzie, Nick, Chris Uhlmann, Richard Baker and Daniel Flitton, "Sheri Yan, jailed for bribing UN official, was target of secret ASIO raid in 2015," *ABC News*, June 6, 2017, <http://www.abc.net.au/news/2017-06-05/sheri-yan-suspected-of-being-spy-secret-asio-raid/8585278>
- McKenzie, Nick, Richard Baker, Sashka Koloff and Chris Uhlmann, "The Chinese Communist Party's power and influence in Australia," *ABC News*, March 29, 2018, <http://www.abc.net.au/news/2017-06-04/the-chinese-communist-partys-power-and-influence-in-australia/8584270>

Impact of Chinese Sharp Power on Australia's
National Security: A Viewpoint of the Wedge Strategy

McKenzie-Murray, Martin, "Inside China's 'United Front'," *Saturday Paper* 194, March 3-9, 2018, <https://www.thesaturdaypaper.com.au/news/politics/2018/03/03/inside-chinas-united-front/15199956005888>

Murphy, Katharine, "Sam Dastyari told to resign from Senate positions after China revelation," *The Guardian*, November 29, 2017, <https://www.theguardian.com/australia-news/2017/nov/30/sam-dastyari-told-to-resign-from-senate-positions-after-china-revelation>

Nye, Joseph, *Soft Power: The Means to Success in World Politics* (NY: Public Affairs, 2004).

O'Neil, Andrew, "Five Eyes and the Perils of an Asymmetric Alliance," *Australian Outlook*, July 27, 2017, <http://www.internationalaffairs.org.au/australianoutlook/five-eyes-asymmetric-alliance/>

Parello-Plesner, Jonas and Belinda Li, *The Chinese Communist Party's Foreign Interference Operations: How the U.S. and Other Democracies Should Respond* (Washington D.C.: Hudson Institute, 2018).

Parker, Sybil P., ed., *McGraw-Hill Concise Encyclopedia of Science & Technology*, 3rd ed. (NY: McGraw-Hill, Inc., 1992).

Pearlman, Jonathan, "Australia fears fallout from US-China trade war," *The Straits Times*, September 29, 2018, <https://www.straitstimes.com/asia/australianz/australia-fears-fallout-from-us-china-trade-war>

Pixley, Michael D., "Eisenhower's strategy in Taiwan Strait drove a wedge between the Soviet Union and China," *Military History*, Vol. 21, No. 26 (February 2005), pp. 13-24.

Popper, Karl, *The Open Society and Its Enemies*, ed. Alan Ryan (Princeton: Princeton University Press, 2013).

Remeikis, Amy and Katharine Murphy, "Chinese-Australian billionaire involved in UN bribery case, MP claims," *The Guardian*, May 23, 2018, <https://www.theguardian.com/world/2018/may/22/chinese-australian-billionaire-involved-in-un-bribery-case-mp-claims>

- Riordan, Primrose, "Billionaire political donor Huang Xiangmo appeals cancellation of permanent visa in Australia," *The Australian*, February 10, 2019, <https://www.theaustralian.com.au/national-affairs/billionaire-political-donor-huang-xiangmo-appeals-cancellation-of-permanent-visa-in-australia/news-story/e28769d4bbd02029a59f2151a61fb590>
- Staff writers, "Chinese donor Huang Xiangmo's \$2 million party challenge to Liberal and Labor," *NEWS.COM.AU*, March 2, 2018, <https://www.news.com.au/national/politics/chinese-donor-huang-xiangmos-2-million-party-challenge-to-liberal-and-labor/news-story/17d8d657e5347ec173d64cfa8f50cb99>
- Tate, Emily, "China Bars Professor from Returning to Australia," *Inside Higher Ed* (Washington D.C.), March 27, 2017, <https://www.insidehighered.com/quicktakes/2017/03/27/china-bars-professor-returning-australia>
- The Associated Press, "Woman Involved in U.N. Corruption Case Is Given 20 Months in Prison," *The New York Times*, July 26, 2017, <https://www.nytimes.com/2016/07/30/afternoonupdate/woman-involved-in-un-corruption-case-is-given-20-months-in-prison.html>
- Varghese AO, Peter N., *An India Economic Strategy to 2035: Navigating from Potential to Delivery* (Canberra: Department of Foreign Affairs and Trade, Australia, 2018), <https://dfat.gov.au/geo/india/ies/pdf/dfat-an-india-economic-strategy-to-2035.pdf>
- Varrall, Merriden, "A Chinese Threat to Australian Openness," *New York Times*, July 31, 2017, <https://www.nytimes.com/2017/07/31/opinion/australia-chinese-students.html>
- Vasquez, John A. and Colin Elman, eds., *Realism and the Balance of Power: A New Debate* (Upper Saddle River: Prentice Hall, 2003).
- Walker, Christopher and Jessica Ludwig, *Sharp Power: Rising Authoritarian Influence in the Democratic World* (Washington D.C.: National Endowment for Democracy, 2017).
- Wang, Xiaohu, "The Wedge Strategy of the US and the Prealignment in the Asia-Pacific," *International Perspective*, No. 3 (March 2017), pp. 58-77.

Impact of Chinese Sharp Power on Australia's
National Security: A Viewpoint of the Wedge Strategy

Wood, Chris, "Why an obscure memoir by a former Australian diplomat and veteran of Hong Kong's Phoenix TV is creating a flutter," *Post Magazine*, June 9, 2017, <http://www.scmp.com/magazines/post-magazine/short-reads/article/2097505/why-obscure-memoir-former-australian-diplomat>

Wu, Xi-Fei, *New Translation of Six Readings* (Taipei: Sanmin Press, 1996).

Yeo, Mike, "Exercise Pitch Black Concludes in Darwin," *The Diplomat*, August 26, 2014, <http://www.thediplomat.com/2014/08/exercise-pitch-black-concludes-in-darwin/>

Yoo, Hyon Joo, "China's Friendly Offensive Toward Japan in the 1950s: The Theory of Wedge Strategies and International Relations," *Asian Perspective*, Vol. 39, No. 1 (January-March 2015), pp. 1-26.

Zhao, Wen-Zhi, *China's Economic Diplomacy: Theory and Practice* (Taipei: Wunan Press, 2016).

Zhen, Summer, "Chinese company Landbridge wins 99-year lease on northern Australia's Darwin port," *South Morning China Post*, October 14, 2015, <https://www.scmp.com/business/companies/article/1867514/chinese-company-landbridge-wins-99-year-lease-northern-australias>

Zhong, Zhenming, "Theory of Wedge Strategy and the Efficiency of Power Balancing in International Politics," *Foreign Social Science*, No. 6 (June 2012), pp. 76-84.