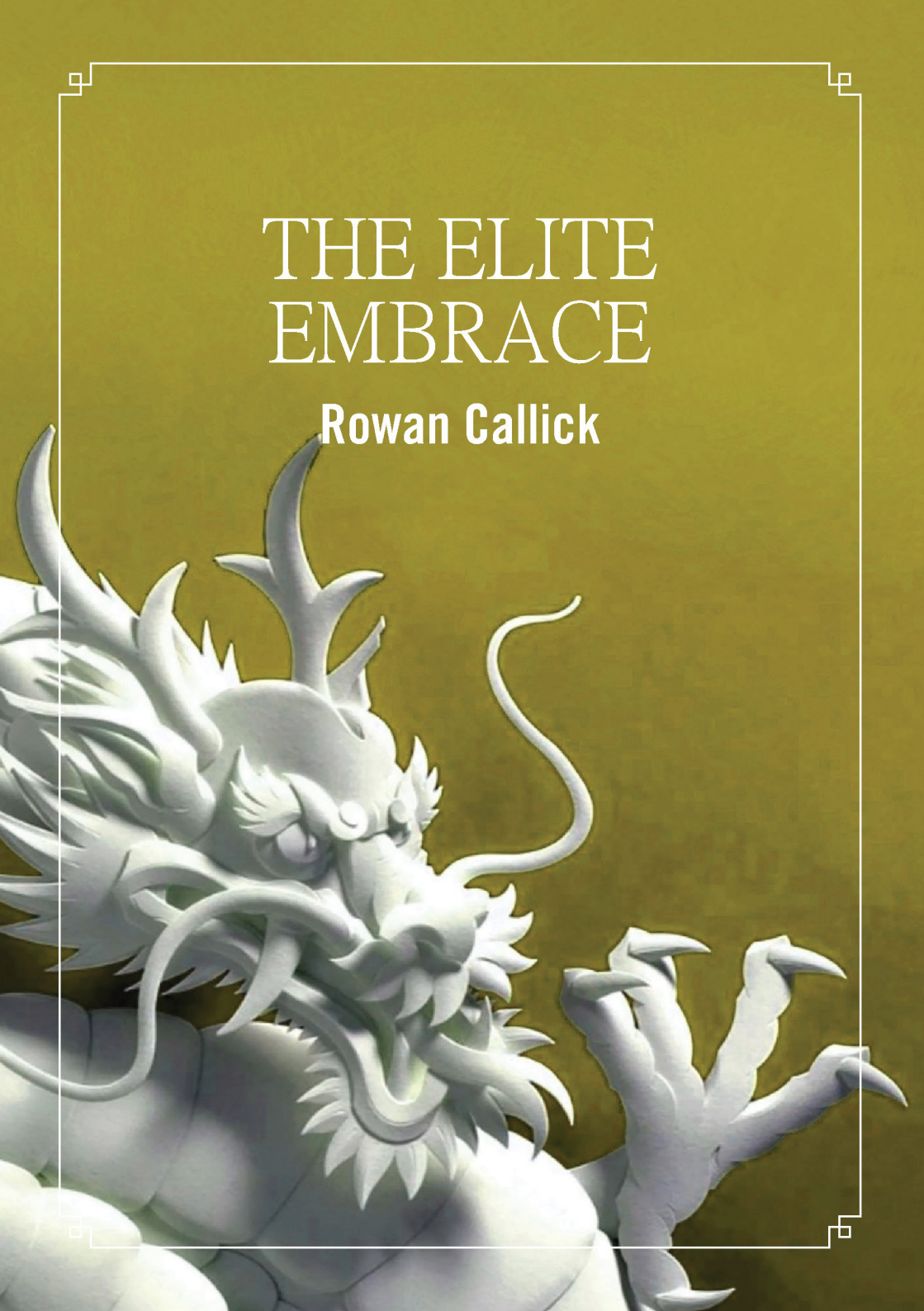
THE ELITE EMBRACE

Rowan Callick



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Introduction

"We should gather elite forces…"

– Xi Jinping, General Secretary, Chinese Communist Party (CCP), addressing the Chinese Academy of Sciences, Beijing, 28 May 2018

"Chinese President Xi Jinping grabbed global elites in Davos on Tuesday with an unusually straightforward keynote address on global issues at the World Economic Forum...that drew hearty applause from the crowd."

– Xinhua, 17 January 2017

The People's Republic of China (PRC) came under heavy fire in the first half of 2020. It suffered pushbacks at home for prioritising surveillance and control over timely release of information about COVID-19, and abroad for the ruthlessness of its thrust for regional dominance and global influence, as well as for allegedly letting the pandemic escape. But it has surfed that wave of disapproval, and has resumed its course to achieve key communist party goals by retaining the backing of the elites that count, both within China and overseas.

At home, Xi Jinping reasserted his absolute authority by demonstrating to the crucial party elite that his adroit new narrative has won back convincingly the support of China's *laobaixing* or ordinary

folk. He achieved this through an all-platforms campaign re-badging himself the People's Leader, winning a momentous victory in the People's War against COVID. Despite many rumours swirling as 2020 advanced, in the end none of China's party elite risked moving against Xi. Then he celebrated this dominance in elite politics by subjugating Hong Kong, where cadres with a proven record of implementing Xi's tough approach in regional China have been appointed to key roles. Luo Huining, director of the Liaison Office of the Central People's Government in Hong Kong, is now widely viewed as the equivalent of the party secretary in a Chinese province and thus the top official, with the local chief executive Carrie Lam relegated to the lesser status of a Chinese mayor.[1]

Overseas, the PRC has suffered strong criticism from Asian and Western governments that have moved to quarantine key areas from PRC influence, and from their broad populations that increasingly resent its newly swaggering style. But the party-state seems to have retained its extraordinary influence with key elites, especially in corporations, academia, and regional and local governmental levels, as well as with Belt and Road Initiative partners around the world that are recipients — or like Australia's state of Victoria, hopeful would-be recipients — of Beijing's economic largesse.[2]

Through a combination of patient persuasion, hospitality and flattery, and most importantly commercial enmeshment, the PRC's high-value elite partners appear to continue to believe China's interests are also genuinely the best interests of their own country or organisation.

The main key to China's rare success in gaining globally not only respect but also support for its rise, has been its capacity to weaponise its economic heft. The assumption that China's economy will continue to surge can characterise almost any step closer to Beijing as 'win-win'.

The party-state's elite partners would be shocked to see themselves portrayed as duplicitous, fellow-travelling or mercenary 'moles' in the way friends of the Soviet Union were widely viewed during that Cold War. Instead, they insist it is their very patriotism, or their corporate loyalty, that drives their desire for alignment with the Chinese

dream, which they view as a vision for mutual, perhaps even global, betterment. The former head of Singapore's Foreign Ministry, Bilahari Kausikan, said last year: "China doesn't just want you to comply with its wishes, it wants you to do what it wants, without being told."[3]

This even works with the elites who run non-government organisations. In September 2020, the British based Birdlife International expelled from its membership Taiwan's Chinese Wild Bird Federation (CWBF). The British umbrella group had instructed the CWBF to sign papers vowing never to support independence for Taiwan, and to change its name. The CWBF responded: "birds know no borders" and that "we are conservationists, not political actors."[4]

The PRC educates its elite partners in the importance of 'understanding' — which in its version mostly means agreeing — and 'engaging'. The latter may amount, in the manner pursued by Beijing, less to mutuality or reciprocity than to enhancing opportunities for party-state advancement. Despite recent pushback, the degree of PRC style 'understanding and engagement' with such elites remains deep and committed. It is a cliché, but nonetheless true: China is playing a long game.

Might the PRC's growing influence be constrained by legislating? Australia has begun testing this, initially through adopting a Foreign Influence Transparency Scheme (FITS), which commenced on 10 December 2018. By October 2020 there had been no prosecutions, although well-publicised investigations remain live. Some individuals and organisations associated with the PRC that were expected to register under the FITS legislation, such as Confucius Institutes, have opted not to do so.

In late August 2020 the federal government announced the introduction of a Foreign Relations Bill through which Canberra would coordinate most Australian international involvements at every governmental level, and might bring Confucius Institutes, Belt and Road memoranda of understanding, and other engagements under a new national umbrella.[5] Melissa Conley Tyler, a research fellow at Melbourne University's Asia Institute, strongly rejected this new bill for "resting on a fundamental misunderstanding of the nature of modern

diplomacy" which, she says, "is about multiple voices… Speaking with one state-approved voice is not what an open democracy like Australia should aim to achieve." She cites American author Parag Khanna's view that "diplomacy is no longer the stiff waltz of elites but the jazzy dance of the masses".[6] This critique is apt in general, but in the crucial, specific case of the PRC — for which the legislation appears chiefly intended — diplomacy, as with every other institutional activity, importantly remains very much 'the stiff waltz' — or more martial step — 'of elites', principally, of course, a single elite.

Beijing presses on.

Understanding the PRC's program and its sociological framing is thus crucial, especially for those who live in liberal democracies including Australia. The Western ethos briefly assumed higher ground with the demise of the Soviet Union but today faces a cohesive ideological, cultural, strategic and economic challenge. This challenge is dividing multilateral organisations, nations, political parties, universities, business groups, and families and friends, exacting a personal toll exacerbated in 2020 by the pain and divides also imposed by COVID-19.

How the PRC emerges from the pandemic and seeks to extend its international influence, "leading the reform of the global governance system"[7] through its artful co-option of elites — and what governments and other institutions in Australia and elsewhere can do in response — will be key questions for the remainder of the 2020s.

Serve the Party

Immediately inside the ceremonial entrance to Zhongnanhai, the vast, brick-red-walled compound immediately to the west of Tiananmen Square, from which China's Communist Party leaders have ruled the country since 1949, stands a massive red screen on which gold characters in Mao Zedong's hand urge: "Serve the People".

Today it's the people serving the Party, however.

Working in Beijing a dozen years ago, I went at 5am to see China's great basketball hero Yao Ming burst into Tiananmen with the Olympic torch, shortly before the rousing opening ceremony of the Games. I

ended up waiting among the pre-dawn crowd of thousands of excited ordinary Chinese families. Suddenly a large police contingent arrived and steadily forced us all out of the entire square, to be replaced by bused-in groups of party members and model students and workers dressed in the uniforms of the torch relay sponsors. One authorised group wore yellow t-shirts bearing the slogan 'Civilised Cheer Leaders'. The snapshot of China this revealed comprised the elite — party members and state-owned and international corporates — in the centre of the frame, while the muttering but by long experience resigned *laobaixing*, the ordinary people, were pushed out of sight altogether. The placid gaze of Mao's image on the Tiananmen Gate oversaw the whole operation.[8]

During the decades dominated by the thoughts of Deng Xiaoping, the party became more genuinely meritocratic, with retirement ages imposed and limits set for the number of terms in office. Factions developed to contest power and even, to a degree, policy. Xi has turned back this tide, effectively quashing party members' capacity to organise or even align factionally. And by having term limits for the state presidency abolished, he has also dialled back the move towards meritocracy.

The PRC's constitution starts by affirming it is "a socialist state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants." But today the party's own membership reflects its elitist evolution. Only 35 per cent of members remain rural or factory workers.[9] Most now come from the worlds of management, the professions or officialdom.

The party's philosophical agenda has also evolved in an elitist direction. One of the most widely taught philosophers in Xi-era China[10] has become Carl Schmitt (1888-1985), the German conservative 'statist' jurist. Toronto University law and philosophy professor David Dyzenhaus says Schmitt's logic is not about the people asserting control of elites, "but an elite asserting control in the name of a nationalistic vision, the secular substitute for the divine right of the absolute monarch."[11] And Confucius — denounced as an imperial apologist by Mao, who dispatched Red Guards to smash his symbolic

tomb in Qufu — has been fully rehabilitated. Veteran *Boston Globe* correspondent HDS Greenway says: "Xi Jinping recognized Confucius could be used to instill and maintain obedience to authority, as done by the emperors of old… Why not harness Confucius to the Orwellian mind-control of the surveillance state over which he rules today?"[12]

And in their personal lives, leaders are confined to a world of their own, more akin to the lives of the imperial household in past Chinese dynasties than to those of other political leaders around the world, except perhaps in North Korea.

Once elevated to join the 25 members of the Politburo, a Chinese leader and his (almost invariably his; it features only one woman at present, and no woman has ever joined its 7-9 person standing committee) spouse will probably never again in their lives eat in a restaurant, stay in a hotel, shop, or fly in a plane at the same time as any member of the public is freely present. They eat organic produce specially grown on high-security farms only for party leaders' consumption, and when they travel domestically they stay in secluded state guest-houses earmarked for top officials. Even after retirement, their lives remain constrained by the party's embrace — it is almost unknown for a long-retired senior leader ever to be granted permission, for instance, to accept invitations to travel internationally.

A popular Chinese song of a few years back, *I Want to Marry a Government Official*, starts: "He has power, a car and a house… He never spends his own money on cigarettes and drink…". Xi's pervasive anti-corruption purge — intended to purify the party, restoring both its reputation from the widespread scorn expressed in the song, and also the responsiveness of such officials to direction from above (accountability in this system operates upwards not downwards) — has been considerably more successful than originally anticipated by most observers. But it has also made the Chinese elite jumpy and reluctant to accept responsibilities or make bold decisions.

Box 1: "All Animals Are Equal But..."

Xi Jinping was elevated to the leadership in 2012 in large part due to his pledge to purge corruption among the party elite, whose reputation in the eyes of many ordinary Chinese people had become sullied by flagrantly opulent lifestyles. He delivered in spades, certainly in terms of the optics. He launched a nationwide anti-corruption campaign that has never ended, becoming institutionalised through the creation of a huge new extra-judicial agency, the National Supervisory Commission. The move also served to refresh and reboot the elite, replacing them with reliably responsive cadres. In July 2020 — in the aftermath of the wave of popular criticisms directed at the party elite, and in order to ensure criticisms are never allowed to emerge on such a scale again — Xi launched an intensified rectification campaign, which only police, prosecutors and judges deemed "absolutely loyal, absolutely pure and absolutely reliable" are intended to survive in office.[13]

This apparent purification of the elite has not, however, changed convincingly China's massive wealth-gap. The Gini coefficient used to measure equality of income distribution, where zero means absolute equality and 100 absolute inequality, shows China, in 2018, at 46.8 points, placing it among the 20 per cent least equal nations, along with the USA.[14] The OECD average was then 32, and Australia 34.[15] French economist Thomas Piketty's *Capitalism in the 21st Century*, a 700 page work that highlighted inequality in the West, was praised by Xi in 2015 as underscoring the importance of Marxist theory and practice,[16] but his succeeding book *Capital and Ideology* will not even be available in China since the Propaganda Department wished him to remove 10 pages from his chapter that analysed Chinese inequality; he declined to concede the censorship.[17]

Within such an environment, the harshest treatment is reserved for fellow members of the elite who are perceived to fail to venerate or, worse, to betray the leadership — especially if they do so publicly. Thus the 18-year jail sentence imposed in September 2020 on Ren Zhiqiang, the former army officer then chairman of a state-owned real estate company famous for his lively posts, earning him the nickname 'The Cannon'. His father was a vice-minister of commerce, thus labelling him — like Xi himself — a 'princeling' or *taizidang*. In March he wrote about a video conference, in which Xi instructed 170,000 officials how to handle COVID, that "standing there was not an emperor showing off his new clothes but a clown who had stripped off his clothes and insisted on being an emperor".[18] As the Australian government has also learned, even implicit criticism of the handling of COVID is being treated by Beijing as an especially unforgivable sin. The party's answer to lingering questions within China — where the answers really matter — concerning the handling of the pandemic, has been to enhance the veneration of Xi, the People's Leader who has won the People's War against COVID and whose thoughts, writings and life comprise the core topics of the *xuexi qiangguo* app, which poses questions that cadres and even non-party managers are required to answer daily.

The people and the People's Republic

When an emperor journeyed from the Forbidden City to preside over a ritual sacrifice, say at the Temple of Heaven, the *laobaixing* were instructed not even to gaze on him at the risk of death. Ordinary Beijingers are in the modern era forbidden to watch, except via TV, the long parades of floats and of military hardware through the great boulevard east of Tiananmen on to the square that marks momentous occasions such as the 50th and 70th anniversaries of the PRC's founding. Only the party leadership and members of specially invited foreign elites are permitted to watch such parades live from stands.

People remain awestruck by the rare descents by their rulers. Xi Jinping's visit to a Qingfeng Steamed Dumpling restaurant in Beijing in 2013 was greeted with astonishment, spurring an adulatory song, *Pork Bun Shop*, and triggering an over-ambitious expansion of the

Qingfeng chain eventually requiring it to be bailed out. When in 2009 Barack Obama stepped out of Air Force One on arrival in a rainy Shanghai, Chinese TV viewers rushed online to express their astonishment that he was holding his own umbrella, something unthinkable for a Chinese leader.

Such leaders are elevated far beyond the 'masses', whose capacity is limited, under CCP rule, to emotion rather than thought. The masses cannot be trusted to participate responsibly in political life even at the lowest administrative levels now Beijing has all but abandoned its Deng-era experiment in 'local level democracy'. Victor Shih, Associate Professor at the University of California San Diego, says "many in the elite stratum of China, even the younger generation, believe most people in China, except for the elite, are incapable of making sound political decisions."

But if they aren't trusted to think, the masses are accorded a capacity — even a propensity — to feel. Thus China's deputy ambassador to Australia, Wang Xining, said during a presentation at the National Press Club in Canberra on August 26 that the Morrison government's call for an international investigation into the causes of COVID-19 "hurts the feelings of the Chinese people." These Chinese people, the masses — in the form of the working class, the peasants, the urban petty bourgeoisie and the more cosmopolitan bourgeoisie — are depicted in the PRC flag as four small stars dominated by a giant star that stands for the party. At the bottom of the heap are the migrant workers who built China into the 'world's factory' and have held service sector costs down low. Deep in the winter of 2017, the new party leadership in Beijing expelled thousands of *di duan* or low-end workers and their families from the city, bulldozing their flimsy homes as the capital was re-created into a place of security and purity for senior party officials.[19]

The PRC is thus an elitist state, and insofar as it seeks — as Eastern Zhou general Sun Tzu advocated 2,500 years ago — "to break the enemy's resistance without fighting," it these days looks to do so through intensifying its influence on counterpart elites without distracting itself by devoting serious energy to seeking to win over the world's 'masses'. Jorge Guajardo, a former Mexican ambassador

to Beijing, says in Latin America "the Soviets were going after the hearts and minds of the local populations. The Chinese could (not) care less."[20]

But sometimes the PRC appears to have cloth-ears when it evaluates foreign elite partners. The first Australian political party leader whom Mao Zedong met was not Gough Whitlam — who went on to recognise diplomatically the PRC — but Ted Hill, in 1968, three years before Whitlam's first visit. Hill was the founder of the Communist Party of Australia (Marxist-Leninist). An Australian China-expert related how on his own first visit to the country in 1976 he was asked, when interlocutors discovered he too was Australian: "How is Chairman Hill?".

And in September 2020, *Global Times* cited enthusiastically "a series of reports called The China Narrative" which "show how the West's China narrative is fuelled by vested interests and funded by war-makers, placing mounting evidence ASIO is behind the spiralling paranoia over alleged Chinese foreign influence in Australia."[21] The reports, it explained, were released by the Australian Citizens Party (ACP). Formerly the Citizens Electoral Council, this body is affiliated with the international movement — sometimes labelled a cult — founded by the late American Lyndon LaRouche and is now led by his widow. The ACP says: "We must end historical subservience to Anglo-American power, assert our national sovereignty and deal independently with countries such as China, our biggest trading partner, which includes joining the China-led Belt and Road Initiative."

Compared with its intense interest in elites, and apart from its investment in mass media — whose true effectiveness appears to be confined to developing countries — the PRC does not focus much on influencing the 'masses', which in some parts of the world including Australia seem to be walking further away. In the 2019 annual Lowy Institute poll 77 per cent of respondents said "Australia should do more to resist China's military actions in our region, even if this affects our economic relationship" — underlining that security usually trumps even financial wellbeing. In the 2020 poll, 94 per cent said Australia should "work to find other markets, to reduce our economic

dependence on China" and 82 per cent backed imposing travel and financial sanctions on Chinese officials associated with human rights abuses. Only 22 per cent had confidence Xi would 'do the right thing' in world affairs.

Negative perceptions of China are also growing in other Western and Asia-Pacific countries even as people polled affirm its rising influence. In a 14-country Pew Research Centre survey published in October 2020, a majority in each country had an unfavourable opinion of the PRC. Negative views increased most in Australia, where 81 per cent now see China unfavourably, up 24 percentage points since 2019. In Britain, about 75 per cent – up 19 points. In the US, negative views have increased nearly 20 percentage points since President Donald Trump took office. A 14-country median of 78 per cent say they lack confidence in Xi Jinping to do the right thing regarding world affairs, including at least 70 per cent in every country surveyed, up in most countries by double digits since 2019.[22] A broader Pew survey in December 2019 found favourable responses to the PRC fell from 2018 in Indonesia from 53 per cent to 36 per cent and in the Philippines from 53 per cent to 42 per cent.[23]

Such polling reveals that while continuing to engage with China, mass populations — unlike their constantly-courted elites — are now preparing to live with a continuing degree of unresolved friction in the relationship.

Restating the PRC's 10 Top Talking Points

In the Melbourne suburb of Box Hill last October 1, the police station hoisted the PRC flag to celebrate its 70th anniversary. The local mayor and state and federal MPs — Labor and Liberal — beamed as the March of the Volunteers was sung rousingly by a group of local people: "*With our flesh and blood, let us build a new Great Wall! As China faces its greatest peril... Braving the enemies' fire! March on!".* They then cut a PRC birthday cake together at the nearby city hall. A brief stroll away, a Xinhua book store was selling CCP propaganda department products in Chinese and English. A nearby state primary school flies the PRC flag permanently. The Victorian state government

famously signed China's Belt and Road Initiative Memorandum of Understanding (MOU) in 2018. Through the BRI, Premier Daniel Andrews said, the state would become "China's gateway to Australia."[24] On 21 February 2020, Andrews ordered all major buildings in Melbourne to be bathed in the colours of the Chinese flag as part of the state's 'stronger together' campaign of solidarity with the PRC following the outbreak of COVID-19 there. The National Gallery of Victoria, a regular exhibitor of PRC artifacts, declined to let globally celebrated Chinese-Australian artist and cartoonist Badiucao host a discussion on Hong Kong issues, and the M2 Gallery in Sydney ordered the removal of Badiucao's artworks — powerfully critical of the PRC — from an exhibition titled 'The Art of Defiance'. Leading Melbourne private school Caulfield Grammar appears to have abandoned plans to name its new aquatic centre after former student and Olympic gold medallist Mack Horton. Horton attracted extraordinary abuse from China — and even the vandalising of his family home[25] — after he refused to share a podium with a Chinese swimmer who was banned for using drugs. The school has developed a campus in Nanjing, and benefits considerably from Chinese students and its Chinese program.

A few years earlier, as the PRC's influence began to build, the vice chancellor of Sydney University, Michael Spence — who is shifting to the top job at University College London — told ABC radio about lunching with a counterpart in China "who is a great fan of democracy," but who added "it does not produce leaders of ability." Spence commented: "I had difficulty disagreeing with him."[26]

These are elements in an enormously effective pressing-game, to use an analogy from team sports such as soccer. No other nation, except for Britain, has ever mustered anything near this level of influence in Australia's history.

Box 2: China's Benign Australian Encounter Began 600 Years Ago

China's capacity to influence via cultural elites can take time, but can appear inexorable. When former President Hu Jintao visited Australia in 2003, he began his address to parliament: "Back in the 1420s, the expeditionary fleets of China's Ming Dynasty reached Australian shores … They brought Chinese culture to this land and lived harmoniously with the local people, contributing their proud share to Australia's economy, society and its thriving pluralistic culture."[27]

This statement at the time baffled most listeners, who simply ignored it. But it referenced the even-then-almost-universally-ridiculed account by British submariner Gavin Menzies (*1421: The Year China Discovered the World*) of the exploits of 15th century Chinese admiral Zheng He. Beijing however continued to champion and fete Menzies, who had lived in China during his childhood and who was made honorary professor at Yunnan University. In 2014 the Australian author Bruce Pascoe's book *Dark Emu* was published — a massively selling work that has become one of the geography/history books most widely-used in schools throughout Australia, and is set to continue to influence Australian students through the 2020s. Citing Menzies approvingly as his source in chapter 8, Pascoe describes how in 1421 Chinese visitors traded with Indigenous Australians, "showering them with gifts as a way of cementing ties… Some northern Australian Aboriginal people visited China under this scheme when the beche-de-mer trade was being forged." This presents, Pascoe points out, "a bleak comparison between European and Chinese foreign policies… Instead of the cultured Chinese, instructed to treat people with kindness, it was the cruel, almost barbaric Christians who were the colonisers… In describing how nations can insulate themselves from the facts of history, Menzies noted that 'American and European historians had managed to persuade the world…that Columbus had

discovered America and Cook Australia'. This fabrication is not unique; the history of colonialism is dense with examples".

The immense value attached by Beijing to this task of projecting the party's interpretation of history was underlined with the Politburo itself holding a meeting on archaeology in September 2020. Xi Jinping there urged greater priority for archaeological work, which "has great social and political significance. Vivid stories of the past… profoundly influence the present and future." He urged further efforts "to conduct international exchanges to let the rest of the world know more about Chinese civilisation, history and national spirit."[28]

The elites with which Beijing engages, within its own terms successfully, make themselves available, either consciously or unwittingly, to carry out three core roles: to replicate and amplify key talking-points in meetings and in articles; to speak out publicly — either positively about China, or if not, critically about the role of other countries or institutions deemed unhelpful to the party-state; and to sign up to documents drafted by PRC officials. Such work provides an important reinforcing layer in the party's domestic legitimisation, which is what matters most.

Sometimes those chosen for such roles appear unlikely, in the eyes of people outside China. They may often, for instance, be people who have already left high-level political or corporate life, and therefore carry little or no influence. However, in such cases, the optics may not be designed so much for foreigners as for domestic Chinese audiences. Retired senior PRC officials are widely perceived as carrying significant residual influence, just as did members of the extended families of emperors. Having apparently impressive foreigners speak positively about current PRC leaders or policies makes a valuable impact within China. Leading Australian sinologist John Fitzgerald calls it 'message washing'.

Occasional visitors to China for business, for journalism or other reasons — who are viewed as likely to help the cause — or people who host meetings with official Chinese delegations to their own countries, tend to find Chinese interlocutors repeating similar messages. This may be parlayed, or interpreted, as especially valuable information or perceptions that should be shared for the good of one's own country, corporation or other organisation. Such privileged people have been granted, they may be led to feel, a rare insight.

10 such core talking points are:

1. If there's a falling-out between the PRC and your country, the latter is chiefly to blame while problems emanating from China are to be acknowledged merely in passing — if that.
2. To criticise the PRC is to be racist, or to dog-whistle to racists. This emanates from the CCP's claim on the primary loyalty of all people of Chinese ethnicity. This seeks to elevate the PRC itself, and the concept of 'China', above criticism on, say, political or economic or sociological grounds.
3. The PRC and CCP cannot and must not be separated out from 'China' and the Chinese people whom the party-state rules. Although a 71 year old dynasty, the PRC seeks to wrap around itself the history and culture of the multi-faceted Chinese civilisation.
4. Even comparatively mild questioning of party-state strategies or leaders — or raising concerns Beijing resents — is to be branded as 'vilification'. Behaviour agreed as untoward on the PRC's side — say, detaining Australians without charge or explanation, introducing sudden trade barriers, multiple human rights concerns — is 'balanced' by the branding of comments by Australian politicians as 'needlessly aggressive', so both sides may be held equally to account for any falling-out.
5. The surge of the PRC, especially economically, is inexorable and thus *realpolitik* requires acknowledging not merely China's rise — which any sensible analyst must do — but a further step, its regional and global dominance as the United States withers.

6. Anyone who criticises the PRC is doing so because they have fallen unquestioningly under the thrall of the United States rather than responding to the PRC autonomously.
7. Chinese people all align with the CCP's tightly scripted version of the country's history that dwells on its suffering — uniquely, it is sometimes implied, even within intensely-colonised Asia — a 'century of foreign humiliation' visited on it from the first Opium War with Britain to the proclamation of the People's Republic in 1949.
8. Taiwan must be viewed as an inalienable province of China that has always ruled it, and whose 'return' to full Chinese sovereignty is inevitable, despite the complex questions posed by historical analysis and the insistence of most Taiwanese people.
9. China can only be governed effectively by a firm central autocratic ruler; democracy and federalism would both be disastrous for such a populous country.
10. Most importantly: in discussion or debate about your country's relationship with the PRC, focus on the former. Do not raise or encourage questioning of the conduct of the CCP or its leaders.

The written word counts for rather more than talk, however — as China, with its illustrious tradition, knows well. The immense effort that went in to convincing the government of Victoria to sign up to the BRI underlines that. The 2018 MOU commits Victoria to work with the PRC to "promote the building of a common future" including "Digital Silk Road cooperation," to "seek convergence" between policies and planning, to carry out "dialogues and exchanges, joint researches, pilot programs, knowledge sharing, capacity building, etc" — without expanding on the "etc." It will remain in effect for five years unless terminated by three months' written notice, making any attempt by Canberra to void it before 8 October 2023 very awkward diplomatically. The Chinese Consul-General in Melbourne who played a prominent role in engineering the agreement — the first such BRI MOU at a subnational level — was Zhao Jian, who was rewarded by a cross-posting to the coveted role of Consul-General in Chicago.

The PRC — with, increasingly, the international liaison department of the CCP playing the foremost role — has also in recent years become active in inviting Western elite members to attend events in China. The outcomes almost invariably comprise communiques that are pre-drafted and all attendees are presumed to support, unless they choose to demur, which would be interpreted as insulting by their party hosts. Thus their names, and those of organisations they represent, are invariably used to attest — at home and abroad — the growing global elite backing for PRC initiatives and positions.

In 2016, the party flew 300 'delegates' from 72 political parties and other organisations in 50 countries to attend a 'CCP Dialogue with the World' conference in Chongqing. They included Britain's former Labour leader Ed Milliband, but former Australian Labor prime minister Kevin Rudd was a late apology. The meeting concluded with the Chongqing Initiative being agreed by the delegates' applause as representing their views: "We expect the Communist Party of China to lead the Chinese people in achieving a better, more stable and sustained economic growth… The important public goods provided by China to the global economy and to global governance such as the BRI… are expected to push forward the rebalancing of the global economy."[29]

Building on this success, a year later the CCP hosted a 'World Political Parties High Level Meeting' in Beijing with 600 delegates from 120 countries, including representatives of the US Republican Party, Japan's ruling Liberal Democratic Party and its coalition partner Komeito, the British Conservative Party, the French Republican Party, Canada's Liberal Party, New Zealand's Labour Party, South Korea's ruling Democratic Party, and of think tanks such as Britain's free-market Centre for Policy Studies, as well as more predictable supporters of Beijing such as Aung San Suu Kyi, the ruler of Myanmar, and Cambodian President Hun Sen.

They all agreed the Beijing Initiative communique: "We highly value the tremendous efforts and important contributions made by the Chinese Communist Party and the Chinese government with General Secretary Xi Jinping as the core in pushing forward the building of a community of shared future for mankind and a better world. BRI is

in keeping with the trend of the times and is in the interest of all the people in the world… for which we have fervent expectations and best wishes."[30]

Regular Western media stories 'reveal' key players in cementing closer connections between the PRC and foreign elites over initiatives like Belt and Road, including in Australia, as predominantly ethnically Chinese — with an often-repeated trope involving young women, as if only a Mata Hari can influence stout Western politicians or businesspeople. Jean Dong, for instance, the chief executive of the Australia-China Belt and Road Initiative (ACBRI), which has chiefly sought to help Australian businesses access BRI projects, was described in a series of articles in *The Australian* as "a central figure in the political row over Victorian Premier Daniel Andrews's decision to sign up" to the BRI.[31] Nancy Yang, who has worked on the staff of Victorian Labor politicians since 2013, was cast similarly as having "sparked widespread concern because of her links to the CCP."[32] John Fitzgerald noted that thus:

> "...young professional women appear to be wielding extraordinary influence over trade, investment and security matters in this country. But are they really? Australia is a long way from conceding a place for young and capable Asian-Australian professionals at the trade and security policy head table… Former state premier John Brumby was the Victorian-based president of the Australia China Business Council when its chapters advocated signing on to the BRI, while former federal trade minister Andrew Robb sits on the ACBRI advisory board along with other influential figures. Big decisions are still being taken by a tightly-knit network of powerful men."[33]

The New Era Fighting Spirit

Xi Jinping's "Thought on Socialism With Chinese Characteristics For a New Era" has been enshrined in the constitutions of the party and the PRC itself. This New Era — distinct from Deng Xiaoping's Old Era — is one characterised not only by artfully targeted talking-points and sometimes-subtle forms of persuasion but also by coercive commerce and the aggressive language of 'wolf-warrior diplomacy'.

China's Foreign Minister Wang Yi told 1,000 of his officials, gathered to celebrate the 70th anniversary of the PRC Foreign Ministry in 2019, to adopt a "fighting spirit."[34] Although Twitter and Facebook are banned in China, diplomats rapidly acquired accounts and followers, and began to use them to hammer the countries where they were posted — while also, via WeChat, communicating more energetically with the Chinese diasporas there.

This aggressive new trend is widely criticised outside China as losing, not gaining, support for Beijing. But that misses the point. Hong Kong-based Australian expert on Chinese governance, Ryan Manuel, wrote in September 2020 that the wolf-warrior diplomats who launch into Twitter tirades "win no overseas hearts and minds… but they may look tough back home regardless of their diplomatic self-harm. And this is the audience they care most about, rather than the nation they may be posted in. The constant focus on what things look like back home points to the people Xi worries most about — the elite that hang around Xi's inner circle of the 3,000 central Party members, themselves the constituency of China's top seven leaders."[35]

Beijing keeps stepping up its coercive commercial diplomacy — in part because this is one area where wolf-warriors have scored successes. *The Financial Times*' leading China analyst Jamil Anderlini summarises: "These warnings tend to be phrased like something out of *The Godfather*: 'Nice car industry you have there Germany, pity if something were to happen to it if you don't invite Huawei into your 5G networks'." (Xi has intriguingly described *The Godfather* as a favourite film). Beijing's strategy of deploying 'plausibly deniable measures', Anderlini says, allows it to dial its actions up or down without triggering World Trade Organisation complaints, or changes to policy or to laws. "It is calibrated to hurt influential industries

that have nothing to do with the dispute," convincing them to lobby against their governments on Beijing's behalf.[36]

China's anger is frequently accounted by elite supporters and commentators overseas as righteous, or at least justifiable.

Eminent Australian business journalist Robert Gottliebsen wrote: "The trigger for the deepening dispute [with China] was Australia's call for an inquiry into the origins of the virus… We did not talk with China before making the demand... The Chinese anger with Australia stems back to former prime minister Kevin Rudd who spoke in Mandarin to Beijing University criticising China. Our foreign affairs department, led by [former] Foreign Minister Julie Bishop, has been a regular critic of the Chinese political system and human rights. This made the Chinese very angry… If we want a trade peace we must stop… Had we respected the Chinese political system we might have maintained close relations with China… We are now simply seen as reflecting the US view. Respect has gone."[37]

On April 2, Australia's richest man, Andrew Forrest, whose Fortescue Minerals sells more than 90 per cent of its output to Chinese buyers, said on the *West Australian* podcast: "It's a moot point where (COVID-19) came from… And we've seen how enormously rapidly China can respond to a crisis… I can always pick a weak political leader because they are the ones who are flat out blaming everyone else. I don't think there is any time for the blame game. I don't know if this virus started in China or somewhere else and frankly I don't care."

Victorian Treasurer Tim Pallas said in response to the federal government's call for an independent inquiry into the origins of COVID-19, "I don't think that we should be vilifying any particular nation."[38] However, the language and even tone used to convey such issues by Australian government ministers has tended to be mild — certainly in comparison to that used in domestic debate — and persistent rather than abusive.

And when Australia led global opposition to Japanese whaling, including taking the country to the International Court of Justice,[39] the response from Japan itself and from any members of Australian elites inclined to support Japan, bears no comparison to the intensity of the continuing campaign by the PRC and its followers against Canberra for its prompting of the WHO's COVID investigation.

John Fitzgerald argues that "the mere suggestion of an independent [COVID] inquiry struck at President Xi Jinping's credibility" so that Canberra's call prompted "the highest levels in Beijing" to consolidate earlier random critiques of Australia into a common communications strategy including leveraging trade and investment to punish Australia for challenging Xi's version of events and his vision for the region, as well as branding it an irredeemably racist country in thrall to US hegemony, incapable of thinking independently.[40]

The PRC's position on any criticism — whether driven by concerns about COVID, human rights, or commercial bullying — is clear. Xi Jinping said in a speech on 3 September 2020[41] in listing "Five Never-Allows": "The Chinese people will never allow any individual or any force to distort and alter the path of socialism with Chinese characteristics, or deny and vilify the great achievements the Chinese people have made in building socialism."

The Magic Red Carpet Ride

What are the special ingredients that make China's strategy work so well, that magnetise members of cosmopolitan elites who are usually so sceptical and worldly-wise? They are surprisingly straightforward, they even appear rather 20th century, and they are thoroughly integrated. Crucially, the component tactics allow for no second thoughts concerning the core focus, the rise of the party-state to global glory.

The recipe, which enables well-schooled Chinese officials to reel in international elites, includes:

- Flattery: ensuring the recipients feel treasured, honoured, and their achievements fully recognised when visiting the PRC. In comparison they may lament, especially if they are retired from their substantive positions, that they and their knowledge and skills are comparatively neglected back home. Titles are assiduously accorded in full at even the most modest event. If feasible, fresh honorary positions at Chinese institutions are allocated and duly celebrated. Within, these days, the acceptable bounds imposed by Xi's anti-corruption regulations, any meal becomes a 'banquet', accompanied by the appropriate toasts.

Even in 2020, foreign guests may find themselves complimented on their adroit use of chopsticks, or capacity to say *ni hao* or *xiexie*.

- Fostering among those with limited China experience an unrealistic sense of the potential weight of their roles there. Former Queensland University vice chancellor Peter Hoj, for instance, said he became involved with China's Education Ministry as a member of its international Confucius Institutes council, because he felt he could thereby influence Chinese policy.[42]

  A meeting involving foreigners will routinely be branded as 'global', amplifying its apparent importance. Many Beijing initiatives and institutions appoint the great and the good from around the world to advisory boards, whose advice is generally of less consequence than the value of bringing them inside the Chinese system, for both domestic and international display. The Advisory Board of the BRI Forum, for instance, involves a dozen prominent though mostly retired figures including Romano Prodi, former president of the European Commission, former prime ministers of France and Egypt, Mari Pangestu the former Indonesian trade minister now with the World Bank, a senior British Treasury official, and Kishore Mahbubani the former Singaporean diplomat and commentator.

- Red carpet treatment while travelling, such as upgraded flights and hotel suites, dedicated drivers and cars to obviate the need for taxis or public transport, as well as official companions who speak fluently the visitor's language. Foreigners being targeted through such invitations are usually quarantined from non-curated access to ordinary Chinese people. Visitor programs are expanded to fill all available time to prevent the guest wandering or meeting potentially off-message Chinese or foreign residents.

  Many countries that also sought to expand their influence internationally used to invite emerging foreign leaders — Xi Jinping first came to Australia under a VIP visitor program in

1988, when he was smartly spotted by DFAT as an upwardly mobile official in Fujian province — but such programs have tapered off with budget cuts in Western countries so the intensity of the PRC's efforts is now unparalleled.

- A sense of becoming 'insiders' granted access to privileged information and, especially, perceptions about their home countries and organisations. A common tactic involves holding out the prospect of a meeting with an allegedly significant official beyond the formal program, creating a modest sense of tension. The eventual encounter with the acclaimed cadre, even if its content appears routine, thus takes on added weight. The visitor may be told that news or analysis they are being proffered has not been divulged previously to any of her or his compatriots. Having such messages passed on, as they invariably are, to the visitor's embassy or corporate headquarters or vice chancellor's office, amplifies their weight in a manner impossible for the Chinese originator.

- Constant access to China. Gaining a visa to visit China is becoming increasingly challenging. Denying it is used to send a message, as when federal Liberal politicians Andrew Hastie and James Paterson were told — in appropriately religious language that is second nature for contemporary party members — when their applications were rejected, that they should "genuinely repent and redress their mistakes." Not only politicians but also academics, journalists and others who seek to visit China are led to presume — including by their own Australian employers and colleagues — that they need to self-censor any remarks about the PRC in order to ensure access.

  For "the sons and daughters of the yellow emperor", as Xi describes people of Chinese ethnicity who live overseas and who are probably citizens of other countries, access to their extended families back in China is extraordinarily important. But gaining the requisite visa may hinge — or may appear to hinge, thus

feeding the same anxiety — on their being perceived by the PRC's all-seeing surveillance technologies to behave as model PRC citizens.

- Top level visits are elevated as solving many problems. Engineered breakdowns in relations with the PRC are routinely blamed on the failure of leaders from foreign countries to secure face-to-face meetings in Beijing. Naturally, this is especially deemed disastrous by diplomats, for whom such encounters comprise significant career achievements. The failure of China's Commerce Minister Zhong Shan to answer calls from Australian Trade Minister Simon Birmingham over the sudden imposition of trade barriers has been characterised by a section of Australian business as Canberra's own fault. The answer is perceived for Prime Minister Scott Morrison to meet Xi Jinping.[43] Such meetings, however, are by no means guaranteed to achieve the aims of the petitioner. Typically, Xi greets impassively the visitors — presidents, kings or prime ministers — who walk towards him down a lengthy red carpet in the Great Hall of the People, and almost invariably bow, tribute-state-emissary style. The resulting messages are scrupulously targeted.

  For instance, the meeting of Xi with former New Zealand prime minister John Key on the PRC's 70th anniversary in 2019 unexpectedly achieved saturation coverage in Chinese media, a high point for New Zealand visibility in China. This appeared puzzling at first, until Xinhua's English language text[44] was compared with its Chinese version.[45] The routine politeness of Key's English was transformed in the Chinese to fulsome praise for the "magnificent and amazing" celebrations and for President Xi himself, for whom "history will prove his foresight and outstanding leadership," especially in launching the BRI.

- People who possess authoritative autonomous understanding of the PRC, including those who have lived and worked there for substantial periods, and especially any who have evinced

criticisms, are for the most part to be held apart from this strategy, and specially-invited visitors will be kept from meeting them during programs held in China.

Conclusion

Six years ago, Xi Jinping told the Australian parliament: "The ocean is vast because it admits numerous rivers. It is the steady stream of mutual understanding and friendship between our two peoples that have created the vast ocean of goodwill between China and Australia."[46]

He was right — but this particular dream has been realised in theory only. In practice the "steady stream" has linked the two elites rather than "our two peoples" — due in part, at least, to the way the CCP insists on maintaining or even enhancing its role as gatekeeper to the entire nation of China.

This creates a devilish dilemma for those who view themselves as 'true friends' of China and wish to build closer links with Chinese people, but have become increasingly concerned about the path of Xi's party evangelism at home and abroad.

Relevant policy solutions are all challenging, and require an educated framework of knowledge about China. Helping to build better understanding of how the PRC elite — guided by Xi and by the party's dominant thinker Wang Huning — view the world is now a crucial process for all countries and societies, including Australia. But the level of this required framework is remarkably low, given the importance of China. Language skills are below thin. Awareness of China's history is meagre. And competent strategic understanding requires a degree of intelligent empathy that is largely lacking. The sudden lack of Australian journalists in China, providing on-the-ground coverage that includes the voices of ordinary Chinese people, deepens that dilemma.

Jack Brady, who recently returned to Australia from Shanghai where he was chief executive of the Australian Chamber of Commerce, says "the expatriate Australian community in China is vital to facilitating our relationship and understanding with the country, and yet it is shrinking. Given China's unique business ecosystem, Australian

corporates alongside their international competitors are localising staff at a rapid rate." Brady said those Australians who do remain, "report back to head office via heads of international positions removed from direct CEO interaction." Virtually no members of top corporate boards, CEOs or other members of Australia's elites have personal experience of living or working in China, making missteps more likely. Brady continues: "Our understanding and ability to engage will be severely constrained, and increasingly shaped from afar… To prevent the conversation about diversification spilling into a dangerous one about decoupling, we are going to have to work much harder at engaging and understanding China, warts and all."[47]

While such genuine, pragmatic understanding risks becoming rarer, much of Australia's corporate, state and local government and educational elites continue to be effectively courted by China's own unchallengeable elite. Standing in contrast, the general Australian public — whose support Beijing has paid little attention to enlisting — is becoming steadily more critical of the party-state. The elite voices urging Canberra to tailor its message and policies, or to concede ground, to the PRC have become predictable and repetitive, and wield a diminished capacity to influence federal government policy — for now.

But this could change. Elite pressures may quieten in the public domain but they will not disappear while Xi — in power for life — maintains his drive for regional authority and global glory, and while Australian politicians' fortunes ebb and flow.

China's own security and economic interests, if viewed in isolation from each other, diverge as clearly as Australia's. But untrammelled party rule, and a rigorously disciplined whole-of-government approach, have enabled Beijing to use such divergence as a wedge to drive self-doubt within liberal democracies around the world, including Australia. In October 2020, John Fitzgerald reviewed ideas about Australian responses on Inside Story, finding value in Macquarie University's Bates Gill's "bounded engagement" approach, and in the Australian Strategic Policy Institute's Charlie Lyons Jones' suggestion of "a combination of approaches — as adversary, as competitor and as partner — in discrete areas of engagement".

One of Australia's most respected political analysts, Paul Kelly, says realist foreign policy applied to China "demands a brutal recognition of the downward spiral in our relations but a purging of the pessimism that Australia can do nothing to improve things." While, he said, "the originating problem is President Xi Jinping's ruthless, controlling and assertive strategy… the associated risk is Australian fatalism… [a myth that] we can do nothing to improve relations because that would only compromise who we are. Such thinking is monumental folly. Australian policy needs to rebalance," Kelly says. "We need to give greater priority to where Canberra and Beijing can work together… with the renewal of economic, trade and tourism ties in the post-COVID-19 world where substantial mutual interest still exists."[48]

This is one of the most intricate tasks facing Canberra this decade. Returning the relationship with China to its former state is not an option; China has changed and continues to change, too much. Nor is bald decoupling an option; the range of continuing connections, including those based on economic complementarity, remains too extensive, although some values-based and sovereignty-based divergence is also inevitable — and although economic complementarity shorn of broader forms of compatibility risks ringing the alarm bells of dependency.

But the economic parameters are also changing. The PRC's slowing economic expansion and its demographic decline mean it will not likely be capable of driving the global economy back into growth post-COVID, as happened after the Asian and then global financial crises. Over time, the PRC will revert to the global mean. ANZ Bank's chief economist Richard Yetsenga has noted that "the main drivers of China's impressive economic performance over the past two decades have been credit, exports and internal migration. All are increasingly constrained," the more so by late 2020. "In this context it will be very difficult for China to become the world's largest economy by 2030. Even reaching that milestone by 2050 seems ambitious."[49]

A way forward

Understanding the PRC and its drivers better is an important first step towards reconstituting the relationship appropriately. Yet Australia's universities' dedicated centres studying China have diminished in net terms in numbers and in resourcing, while high schools teach very little, except for those few students who choose to look at the Chinese Revolution. Investment is needed in order to ensure educated support for a considered, long-term policy strategy.

Building resilience comes next. This needs to be developed both autonomously and in deepening partnerships, especially within Australia's geographic region. Richard Maude, executive director for policy at the Asia Society Australia and former deputy secretary of DFAT, says: "Working with other middle powers, in our own region and globally, makes a lot of sense for Australia in the current environment. It helps show China we are not alone in our concerns. It is also a helpful rebuttal of China's narrative that Australia simply does what the United States asks of us."[50]

Cultural connections will continue to increase as a result of the extent of Chinese migration to Australia. But there is considerable room for more purposeful growth. Fostering popular programs that might engage the broader populations of the two countries is a promising prospect, although it involves challenges, given the CCP has positioned itself to return to its Mao-era role as gatekeeper in attempting to determine the manner of that engagement. Mao himself instructed "Learn from the masses" — though he immediately upended his own 'thought' by adding "and then teach them."

Almost everyone involved in business or diplomacy in Australia, as in other countries, advocates 'just engage'. But this is becoming elusive as a generalised goal since it requires a ready partner. Former DFAT Secretary Peter Varghese, the Chancellor of Queensland University, rejects what he calls such "hope for the best" engagement. Instead, he advocates saying to Beijing that "we want a relationship of mutual benefit, but we also want the PRC to pursue its interests in a way that respects the sovereignty of others and avoids coercion. And if the PRC behaves otherwise, there will be collective pushback from countries that are capable of effectively doing so. Beijing may well portray this

as containment by another name, but we should not give it a veto over our strategic policy." Strengthening the national capacity to resist coercion involves increased investment in defence and diplomacy, "but only defence is being resourced adequately." Varghese urges: "Do not treat the PRC as an enemy, but quietly abandon the notion that we can have a comprehensive strategic partnership as long as it remains a one-party authoritarian state… Reject diversion away from the PRC but embrace diversification" through trade promotion and liberalisation in other markets and through domestic economic reforms that raise productivity, build resilience and lift competitiveness.[51]

Thus it is crucial for Australia — as well as the PRC — to ensure the terms of such engagement are right. This must stem from an understanding that is open-eyed and truly mutual, to use Xi Jinping's phrase in addressing the Canberra parliament. This requires embracing the nations in their full diversity, beyond their elites.

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After suffering pushback at home and abroad in the wake of the covid-19 pandemic, the People's Republic of China (PRC) has resumed its course to achieve key Chinese Communist Party goals by retaining the backing of the elites that count, both within China and overseas.

In this paper, leading China expert Rowan Callick traces the elitist evolution of the Party under leader Xi Jinping, before examining the gap between Party elites and the masses. He then outlines how the PRC courts foreign elites, arguing that many Australian corporate, university, state and local government elites are effectively captured by such courting, whilst the general public is becoming ever more critical of the party-state. The voices urging Canberra to concede in any debate with the PRC have become predictable and repetitive, with a diminished capacity to influence policy.

But this could change, he warns, as the PRC emerges from the pandemic and seeks to extend its international influence. What governments and other institutions in Australia can do in response will thus be key questions for the remainder of the 2020s.

Rowan Callick is a veteran journalist and author who has worked as a China correspondent for both *The Australian Financial Review* and *The Australian*. He is the author of *Party Time: Who Runs China and How*, and has won two Walkley Awards for his coverage of China.

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