

**Submission to the Inquiry on Foreign Interference,  
New Zealand Parliament, Justice Select Committee, 2019**

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*My qualifications to speak on this topic:*

I am a specialist in the politics of the People's Republic of China (PRC, China) and the Chinese Communist Party's (CCP) Party-State system; as well as polar issues, Pacific politics, and New Zealand foreign policy. I have published ten books and close to fifty scholarly papers on these topics. I was educated in Auckland, Shanghai, and Canberra. I am a fluent Mandarin Chinese speaker with dual degrees up to PhD level in Chinese Studies and Political Science and International Relations. I am a Professor in Political Science and International Relations at the University of Canterbury, as well as a Global Fellow at the Woodrow Wilson Center in Washington DC, a non-resident Senior Fellow at the China Policy Institute at the University of Nottingham, and a member of the Council on Security Cooperation in the Asia-Pacific (New Zealand). I have taught graduate and undergraduate courses at East China Normal University, Tsinghua University, Wuhan University, Beijing University, and Renmin University.

My comments in this submission are based on conclusions in my research published over the last thirty years. In researching these papers and books I referred to many thousands of Chinese language CCP materials and the comments I make here are based on those sources, as well as secondary sources on the CCP's united front work.

*My submission:*

My submission to the Justice Select Committee Inquiry into Foreign Interference is in two parts: 1. an overview of China's foreign interference activities; 2. suggestions for a resilience strategy.

I would like to request the opportunity to give an oral presentation before the Justice Select Committee on my written submission.

## **Part One: An Overview of China's Foreign Interference Activities**

In 2017 a Chinese company, CEFC China Energy made global headlines when the General Secretary of its non-profit wing China Energy Fund Committee, Patrick Ho, was arrested in the USA on charges of bribing officials at the United Nations, in Chad, and also in Uganda.<sup>1</sup> CEFC China Energy is a nominally private company with close Party-State-Military connections.<sup>2</sup> Its subsidiary, CEFC, is a pro-China think tank with ties to retired military intelligence officers; it has done business with the PLA's 'princeling' elite in energy deals;<sup>3</sup> and in small states like the Czech Republic, Chad, and Uganda, it appears to have used investments and other economic inducements to buy local and global political influence over policies.<sup>4</sup> In the Czech Republic, CEFC chairman Ye Jianming, was even installed as a "special adviser" to the Czech president.<sup>5</sup>

The CEFC story is relevant as a well-documented case study of China's foreign interference activities in pursuit of wider foreign policy goals. The topic of foreign interference and foreign influence in domestic politics has constantly been in the New Zealand and global media in the last two years. It has become an issue of deep concern for many governments. My submission focuses on the foreign interference activities of the Chinese Communist Party (CCP) government of the People's Republic of China (PRC, China),<sup>6</sup> as my relevant expertise for this inquiry is on China and the organisations and policies of the CCP Party-State-Military-Market nexus.

### ***On the Correct Use of Terms***

Commentators grapple to summarise foreign interference activities with a catch-all term. Being able to describe and define a phenomenon is essential for being able to address concerns about it. Yet the activities described do not neatly fit standard political science definitions of foreign policy, nor the foreign affairs approaches followed by most other states. Sometimes "political warfare" is used to describe such activities.<sup>7</sup> Military and strategic analysts tend to use the term "greyzone".<sup>8</sup> Some writers try to use the soft power definition to explain the CCP's activities, but Joseph Nye, who invented the soft power concept rejects China (and Russia's) arrogation of his terminology.<sup>9</sup> The National Endowment for Democracy coined the phrase "sharp power",<sup>10</sup> while Russian scholars prefer "smart power".<sup>11</sup> In the Chinese Studies field there has long been an emphasis on the need to use the CCP's own terms when we are trying to understand the Chinese Party-State's policies and intentions.<sup>12</sup>

The terms used by the CCP government to describe the phenomena observed by outside commentators as "foreign interference" and "foreign influence" are united front work (统一战线);<sup>13</sup> which can be broken down into "international united front work" (国际统战工作),<sup>14</sup> as well as foreign affairs work (外事工作),<sup>15</sup> and Overseas Chinese affairs work (侨务工作).<sup>16</sup> Under Xi Jinping, united front work has an important role in China's increasingly assertive foreign policy, which follows a three-pronged approach:

1. State to State interactions
2. Employment of military force
3. Covert operations via international united front work activities.

Few foreign researchers study the CCP's united front work, or indeed how the CCP works. Thus, remarkably, despite its extraordinary expansion in scope since 1989 and even more so since Xi Jinping came to power, it has been under the radar for a long time, which assists in plausible deniability.

The united front is a Leninist concept. Lenin wrote in "Left-wing Communism: An Infantile Disorder":

The more powerful enemy can be vanquished only by exerting the utmost effort, and most thoroughly, carefully, attentively and skilfully making use without fail of every, even the smallest, 'rift' among the enemies, of every antagonism of interest among the bourgeoisie of the various countries and among the various groups or types of bourgeoisie within the various countries, and also by taking advantage of every, even the smallest, opportunity of gaining a mass ally, even though this ally be temporary, vacillating, unstable, unreliable and conditional.<sup>17</sup>

Xi Jinping is a strong promoter of united front work tactics and has increased the resourcing and prominence within the CCP political system of a range of organisations that engage in united front work with domestic extra-Party forces such as 'Red Capitalists', Hong Kong and Taiwan "compatriots" (同胞—literally "same womb"), the Chinese diaspora, as well as foreign political parties and foreign political, business and education leaders. Key organisations include the CCP United Front Work Department, which now directly controls the main organisations devoted to co-opting the diaspora, as well as the International Liaison Department, which is more focused on 'party-to-party' dialogue."<sup>18</sup>

United front work is a task of all CCP Party-State-Military agencies (some more than others), as well as a core task of every CCP member. Under Xi Jinping, the CCP has sought to reassert its control over the business sector. Party control is now to the fore.<sup>19</sup> Nearly all of China's listed internet companies have Party committees. Close to 70 percent of the CEOs of China's major corporations are now CCP members.<sup>20</sup> 70 percent of foreign companies working in China have a CCP cell.<sup>21</sup> United front work is an all-of-CCP activity (全党的工作),<sup>22</sup> meaning that all Party members are required to participate in it.<sup>23</sup>

Xi-era united front work activities fall into four categories:

1. Efforts to control the Chinese diaspora, to utilise them as agents of Chinese foreign policy and suppress any hints of dissent.
2. Efforts to coopt foreigners to support and promote the CCP's foreign policy goals and access information and technical knowledge.
3. Promotion of a global, multi-platform, strategic communication strategy aimed at promoting China's agenda and suppressing critical perspectives on the CCP and its policies.
4. Rolling out of the China-centred economic, transport and communications strategic bloc known as the Belt and Road Initiative.

## ***A Template of Xi-era United Front Work***

This template of CCP united front work aims to assist the New Zealand Parliament Justice Select Committee in understanding the CCP government's approach to foreign interference and foreign influence activities. Below I list some of the core aspects to look for in identifying united front activities and some of the key agencies involved. The CCP describes its approach to foreign policy as "total diplomacy" (全面外交) meaning that every possible channel will be utilised. Therefore, identifying which Party-State-Military-Market organisations or individuals are engaged in united front work is not a simple task—they all are to varying degrees—but some are certainly more actively engaged than others.

### **1. Efforts to control the Chinese diaspora**

The CCP adopts a carrot and stick approach to those it targets within the Chinese diaspora community: financial opportunities and honours for those who cooperate; harassment, denial of passport or visa rights, and detention for family members living in China for those who do not. In the Xi era the most heavily policed sector of the Chinese diaspora are the Uighurs living abroad;<sup>24</sup> along with Tibetans and activists from the Han Chinese community.<sup>25</sup> New Zealand currently has a population of around 200,000 citizens and permanent residents who identify as Han Chinese, as well as smaller numbers of other ethnic groups within China, such as Tibetans and Uighurs.

**Some of the key agencies:** the CCP United Front Work Department and within it the State Council Overseas Chinese Office, Ministry of Foreign Affairs, Ministry of State Security, PLA military intelligence, Chinese People's Consultative Conference, the Zhigong Party, the China Association for Promoting Democracy, the Federation of Industry and Commerce, and the so-called "democratic" parties within the CCP-led political system whose main function is united front work.

#### **Policies:**

Exert control over Chinese diaspora individuals and groups in order to "turn them into propaganda bases for China".<sup>26</sup> In the 1930s and 1940s, the CCP effectively inserted sleeper agents against the KMT government in its fight for the control of China, and this is what Mao Zedong was referring to when he described united front work as one of the "three magic weapons" of the CCP victory in the Chinese Civil War (the other two are the strength of the CCP system and the CCP military).<sup>27</sup> Xi Jinping has also often talked of the united front as one of the CCP's magic weapons. He has stated that he wants to utilise the 60 million plus Chinese diaspora to serve the CCP's political and economic agenda.<sup>28</sup> The CCP government's Ministry of State Security (MSS) and PLA military intelligence have in the past used academic links as a cover for their activities, while business links are also a common vector.<sup>29</sup> China's National Intelligence Law (2017) obligates Chinese citizens and companies to assist China's intelligence work.<sup>30</sup> It is important when discussing these issues to understand that the Chinese people and the diaspora are the victims of CCP control efforts, and also to make a distinction between the CCP and the Chinese people.

Establish Chinese diaspora organizations that report directly to the CCP.<sup>31</sup> The most well-known of these groups is the China Council for the Promotion of Peaceful National Reunification, which has branches all over the world, including New Zealand. Mr Huang Xiangmo, who was recently banned by ASIO from returning to Australia, was formerly

chairman of the Australian Council for the Promotion of the Peaceful Reunification of China and still chairs the Oceanic Alliance of the Promotion of Peaceful Reunification of China.<sup>32</sup>

Use of diplomatic cover for united front work.<sup>33</sup> The CCP has a long tradition of party and government personnel “double-hatting”; holding roles within multiple agencies.<sup>34</sup> PRC diplomats are tasked with united front activities outside China, working with foreign politicians and other high profile individuals, Chinese community associations, and student associations, and sponsoring Chinese language, media, and cultural activities. Chinese consulates and embassies relay CCP instructions to diaspora Chinese community groups and the Chinese language media and they host visits of high-level CCP delegations coming to meet with local Chinese diaspora groups.

Utilise PRC embassy staff and local united front organisations, to control the diaspora community by setting and policing the boundaries on what constitutes Chinese culture.<sup>35</sup> Excludes: Falungong, Tibetan Buddhism, Taiwanese identity, Cantonese or other regional languages or cultures.<sup>36</sup>

Control and monitor overseas ethnic Chinese students and scholars—regardless of their passports—by means of the Chinese Student and Scholars Association.<sup>37</sup> In countries where this organization is publicly identified as a united front organization, promote organizations such as the Western Overseas Scholars Association.<sup>38</sup>

Insert CCP-supported diaspora political and business leaders into their home political systems as candidates and donors (华人参政); pressure foreign-based diaspora politicians already in government to promote CCP policies and provide information on the policies of the governments they represent.<sup>39</sup> While it is completely normal and to be encouraged that the Chinese diaspora in each country seek political representation; the initiative to insert the CCP’s own representatives within foreign political systems is separate from that spontaneous and natural development.

Impose CCP censorship controls over the Chinese diaspora media (海外华文媒体融合).<sup>40</sup> This policy was formalized in 2017, though it has been the unwritten rule for at least 20 years.<sup>41</sup> Regardless of who owns a foreign Chinese language media outlet or China-focused media outlet, it must now conform to CCP censorship guidelines or it will be forced to close by means of intimidation such as removal of advertising or vexatious court cases. For public sector Chinese-language media platforms such as VOA Chinese or BBC Chinese, the means of control appears to be via targeting key personnel for co-optation or pressure. Among the few exceptions to this situation are the Falungong’s media outlets and *Vision Times* in Australia which remain independent.

Popularise the use of Chinese social media app Wechat (微信), and payment platforms Wechat Pay and Alipay public and private accounts in foreign countries.<sup>42</sup> Wechat now makes up 34 percent of all online traffic in China.<sup>43</sup> As of 2018, New Zealand had 180,000 Wechat users<sup>44</sup>--which is the equivalent of an account for almost every New Zealand Chinese resident. The outcome of the widespread adoption of Wechat outside China is

the creation of a backdoor means to control China-related discourse in foreign countries through self-censorship, monitoring of content, and the threat of closing down foreign Wechat accounts that do not comply.<sup>45</sup>

## 2. Foreign elite capture

The CCP has a comprehensive strategy to target foreign economic and political elites, in order to get them to promote China's foreign policy agenda within their own political system, to encourage them to relay information on foreign government intentions, strategies and the attitude of key actors towards China, as well as to provide access to cutting edge technology. Mao Zedong famously called this approach to dealing with the outside world "making the foreign serve China" (洋为中用) and this term also appears in Xi era policy discussions. "Using civil actors to promote political ends" (以民促政) is another term commonly used in CCP foreign affairs work.<sup>46</sup>

**Some of the key agencies:** Ministry of Education, CCP International Liaison Department, Ministry of State Security, Ministry of Foreign Affairs, local governments, State-Owned Enterprises (SOEs), major PRC corporations and some foreign-based Chinese owned corporations, the Chinese People's Association for Friendship with Foreign Countries, Hanban and the Confucius Institutes, Chinese People's Institute for Foreign Affairs, China Institutes of Contemporary International Relations (CICR), along with many other such CCP front organizations.

### **Policies:**

Nurture international foreign political party links via the CCP's International Liaison Department. Utilise former senior foreign politicians as bridges to current governments, offer them access to the CCP leadership for business opportunities and vanity projects in return for supporting China's policies, information, or at the very least, silence on critical issues. Appoint foreigners with access to political power to directorships in Chinese companies such as PRC banks or SOEs in the host country.

"Use the local to surround the centre" (利用地方保养中央): utilise sister-city relations, local government investment schemes, and connections with indigenous groups to influence central governments and promote China's agenda. Local governments and indigenous authorities have decision-making power over key resources such as water and land use and for establishing infrastructure projects.

Utilise foreign politicians, academics, and entrepreneurs to promote China's national interest in the media and academia or at the very least, not raise a critical view. This is called "using foreign strength to promote China" (利用外力为我宣传). Build up asset relationships with susceptible individuals via China-based political hospitality at all-expenses-paid conferences, paid talks, paid and unpaid 'advisory' roles and consultancies. Prominent "advisors" can get as much as US\$150,000 per annum just for being affiliated to PRC entities. If necessary, compromise prominent individuals via: hacking of devices used while in China, bribery, honey traps, or use intimidation tactics such as denial of visas to China.

Use mergers, acquisitions, and partnerships with foreign companies, universities, and research centres to acquire local identities that enhance political influence activities, provide access to military technology, commercial secrets, and other strategic information. Create economic dependencies in susceptible economies via preferential terms of trade or directed mass tourism. Use access to the China market as a lever to intimidate foreign central and local governments. Use Chinese companies to promote this message.

### **3. Shape the global narratives about China**

The Xi government's go-global, multi-platform, international strategic communication strategy aims to control international perceptions about China and the policies of the CCP government (让党的主张成为时代最强音). All forms of mass communication are utilised, from films and advertising, to new media and academic and non-academic publications.<sup>47</sup>

**Some of the key agencies:** the State Council Information Office, CCP Central Propaganda Department, Xinhua News Service, CGTN, China Radio International, Ministry of Foreign Affairs, Ministry of Education, Ministry of Culture, and other relevant state organs.

#### **Policies:**

China's media companies are engaging in strategic mergers and acquisitions of foreign media and cultural enterprises in order to control the global China narrative. This policy is known as "buying a boat to go out on the ocean" (买船出海).<sup>48</sup> This policy has made major inroads into Hollywood production, casting, and film distribution.<sup>49</sup> New Zealand and Australia's main cinema chain, Hoyts, is owned by Dalian Wanda,<sup>50</sup> which also owns 636 cinemas in the USA.<sup>51</sup>

Offer business opportunities to foreign media and culture companies which enables them to access the China market, but requires them to follow its guidelines. This has an impact on their products in other markets too, because if a production company makes a television show, advertisement, or film which portrays China in an unfavourable way—even if it will only be shown outside China—this could affect access for products they hope to sell in the China market. In academic publishing this has resulted in academic publishers having to cull their journal and book offerings to remove content critical of China in materials they make available for the China market. For publishers who print books in China—most photographic books are now printed in China for cost-saving reasons—they cannot print any books which break Chinese censorship guidelines.<sup>52</sup> An example of this is world maps which show Taiwan as a separate entity by painting its landmass a different color than that used for the Chinese Mainland. This is forbidden even if the books they appear in are not destined for the China market.

Get China's political language and talking points (提法) inserted into international public discourse.<sup>53</sup> For example, raising concerns about China's behaviour is classed as: "anti-China) (反华), "demonising China" (中国的妖魔化), "China threat" (中国威胁论), "Cold War thinking" (冷战思想), "McCarthyism" (麦卡锡主义), "xenophobia" (排外主义) or "(racial) prejudice" (偏见).

Establish strategic partnerships with foreign newspapers, TV, and radio stations, to provide them with free content incorporating the CCP-authorized line for China-related news and ensure that the international media follows the Chinese media in “telling a good story of China” (讲好中国的故事). This includes, *People’s Daily* and *China Daily* inserts, “content sharing” between companies like AP and Xinhua News service, and Chinese companies such as Huawei offering subsidies to foreign media and cultural companies.<sup>54</sup> This is the policy known as “borrowing a boat to go out on the ocean” (借船出海).

Use foreign think tanks to shape foreign policy and public opinion on China issues in China’s favor. The Chinese government and affiliated united front actors have made a massive investment in setting up pro-China think tanks and research centres to promote the CCP’s agenda and collect information on the intentions of other nations.<sup>55</sup> In addition, provide donations to leading think tanks internationally in order to promote a pro-CCP line, mute critical voices, and cultivate political elites. Offer generous strings-attached academic research funding through the Confucius Institutes and other China-connected funding bodies in order to set the boundaries of China analysis and debates in academia.

Promote a CCP-defined notion of Chinese culture and language internationally through Confucius Institutes, cultural centres, and festivals such as “Chinese New Year”<sup>56</sup> (the Chinese term is actually “Spring Festival (春节) and it is celebrated elsewhere in Asia as the Lunar New Year). This serves to marginalise groups such as Uighurs, Tibetans, democracy activists, Falungong followers, Taiwan culture and society all of which, from the CCP’s perspective have the potential to divide China (分华) and threaten the CCP’s monopoly on power.

#### **4. A China-centred political and economic order**

In 2014, the Xi government launched an initiative to create a China-centred political and economic bloc,<sup>57</sup> one that will reshape the global order.<sup>58</sup> The Belt and Road Initiative (BRI), also known as One Belt, One Road (OBOR), builds on, and greatly extends, the “going out” (走出去) policy launched in 1999 in the Jiang era and continued into the Hu era, which encouraged public-private partnerships between Chinese SOEs and Chinese Red Capitalists in China and overseas in order to acquire global natural resource assets and seek international infrastructure projects.<sup>59</sup> BRI connects into China’s informatisation strategy, which amongst other things, requires global partners to host China’s Beidou GPS ground stations that will enable China to establish fully global C4ISR capabilities. This is an aspect of the “Digital Silk Road”.

**Agencies:** National Development and Reform Commission (lead agency), State-owned Assets Supervision and Administration Commission of the State Council, Ministry of Foreign Affairs, and other relevant state agencies, Chinese SOEs, Red Capitalists, Chinese People’s Association for Friendship with Foreign Countries.

**Policies:**

Use BRI to stimulate China’s secure access to strategic natural resources and strategic sites to create forward-based military installations.

Set up trade zones, ports, and digital communications infrastructure that connects back to China, creating a China-centred political, digital, and economic order.



Get foreign governments to do the work of promoting China's BRI to their own citizens and neighboring states (another version of "borrowing a boat").

Work closely with local government and indigenous leaders on BRI projects. Local governments and indigenous communities such as Native Americans in the USA and Canada, Sami, Inuit and other Arctic peoples, and Māori in New Zealand, control considerable natural resources and can influence planning decisions at the local and national level.

Offer governments who sign up to BRI privileged access to the Chinese market. This is a double-edged sword, because increased access means increased dependency and more levers that China can use against states which seek to maintain an independent foreign policy as part of their approach to relations with the PRC and other great powers.

## **Part Two: Policy Recommendations for a Resilience Strategy**

The Justice Select Committee has sought specific policy advice on how to address three aspects of inappropriate foreign interference activities: 1. foreign hacking of candidates or political parties' private emails by foreign powers; 2. political campaigns on social media which appear domestic but which are in fact created or driven by foreign entities; 3. donations to political parties from foreign governments or entities.

### **1. Foreign hacking of candidates or political parties' private emails by foreign powers**

Strengthen New Zealand's cyber defence capacities. Increase public awareness of cyber hygiene and security. SIS should continue to provide protective security briefings to New Zealand local and national politicians, as well as to political parties, iwi, education sector, scientific researchers and corporate leaders, on protective measures to take if they intend to visit China. Best practice advice includes: take only a burner phone, leave laptops and tablets at home or take a standalone device, set up a dedicated email for the China trip, avoid public wifi, use Tor or other secure browser, purchase a reputable VPN, utilise encrypted email and messaging services. Any devices taken to China should be rebuilt or discarded.

### **2. Political campaigns on social media which appear domestic but which are in fact created or driven by foreign entities**

The boundaries between traditional and new or "social" media have long ago been blurred, so this aspect should be examined in terms of multiplatform media. Wechat is the main PRC social media platform used in New Zealand. Both the New Zealand National Party and the New Zealand Labour Party, as well as many New Zealand media organisations have Wechat accounts.<sup>60</sup> This means that what they post on these Wechat accounts must follow the CCP's censorship guidelines—which breaches New Zealand standards. New Zealand print media and broadcasting standards do not make reference to the political interference of overseas organisations on the New Zealand media, but BSA Standards 8 - Balance, Standard 9 - Accuracy and Standard 11 – Fairness can be used to address this problem.

New Zealand political parties need to do due diligence on Wechat's strengths and weaknesses and find a way to reach our Chinese-speaking voters, without having to be restricted by CCP censorship requirements that have the potential to contravene New Zealand's free speech norms.

The New Zealand Electoral Commission needs to engage with Tencent Corporation, Wechat's parent body, to discuss how to prevent disinformation and ensure balance, accuracy, and fairness in New Zealand's local and central electoral coverage, as well as on other domestic political matters.

### **3. Donations to political parties from foreign governments or entities**

The CCP efforts to interfere in foreign politics are like water on limestone: it will find the cracks and weak spots. New Zealand needs a holistic, non-partisan, approach to dealing with this issue, to respond to the CCP's "whole of Party" effort in united front work.

Funding is only one part of addressing the problem of foreign interference in the electoral process, as shown above, the CCP united front work operates at all levels of targeted foreign polities.

New Zealand prides itself on its high ranking on Transparency International's annual Corruption Perceptions Index. In 2018 New Zealand was ranked as having the second least-corrupt judiciary and public sector in the world.<sup>61</sup> Despite this, there are weak spots in our political system which are being exploited. Confidently acknowledging these problems is a strength, rather than a weakness. It will help reassure New Zealand's international partners as well as our citizens and residents that the New Zealand government is determined to maintain sovereignty and national security, and that it upholds our values and democratic institutions.

New Zealand needs to adopt comprehensive laws against corruption and to manage lobbying activities. It should establish an Anti-Corruption Commission and properly resource it.

New Zealand needs to pass Conflict of Interest Legislation. Members of parliament, leaders of political parties, local body politicians, and their spouses, should be required to provide an annual financial disclosure. They should also be required to provide an annual disclosure of paid overseas trips by foreign organisations. New Zealand needs to pass legislation requiring a stand-down period of five years for former MPs and local politicians, political party leaders, as well as their spouses, before they can engage in lobbying activities. New Zealand needs to pass strong laws to prevent money laundering.

Political parties should be required to do due diligence on all donations. The NZ Electoral Commission needs to have the resources to assist with this. Donors must verify that they are the source of the funds. Trusts and charities should also be required to be fully transparent about donations. Loopholes whereby a candidate can hand over a donation under \$15,000 to their political party, without having to declare it, must be fixed. Donations should only be given to political parties, not to individual candidates. Donations from non-permanent residents or non-citizens of New Zealand should be prohibited. There should be total transparency for all donations. There should be a maximum amount allowed for political donations.

New Zealand should follow international best practice and limited voting in elections to citizens only.

New Zealand needs to pass legislation to register agents of foreign governments. In 2018 the New Zealand Labour Party reformed its Party Constitution, forbidding party members from simultaneously being members of two political parties or of any organisation the party decrees as undesirable. This approach should be put into legislation and apply to all political parties. New Zealand legislation should prohibit Members of Parliament from being members of a foreign political party, or simultaneously of two local political parties. New Zealand MPs and local government representatives should not be permitted to join, promote, or act on behalf of, CCP united front organisations. The Electoral Commission

should require political parties to provide evidence they have vetted candidates for political risk.

The New Zealand government and our political parties need to work together to restore plurality to New Zealand's Chinese community groups and media organisations, in order to ensure genuine democratic participation within this community, to prevent attempts by united front organisations to instruct the Chinese community to block vote for candidates, to mitigate against the CCP's efforts to engage in political interference activities via targeted donations from its united front groups and their activists within this community, and to protect this community against intimidation attempts from the CCP government and its agents in New Zealand. New Zealand Police, NZSIS, MFAT, GCSB, Immigration need to upskill staff with Chinese language skills and understanding of the CCP political system and employ more Chinese New Zealanders, but they should not be trained at Confucius Institutes,<sup>62</sup> which CCP leaders describe as a "propaganda tool" of the CCP, aimed at shaping the public discourse on China.<sup>63</sup> The New Zealand government should stop its fifty percent subsidies to the Confucius Institutes,<sup>64</sup> encourage them to be self-funding and community-based rather than located in our universities, and it should put the subsidies it now offers to Confucius Institutes into New Zealand's own Chinese language programmes.

The New Zealand public should be informed on the challenges, as well as the opportunities of New Zealand-China relations. Society has an important role in national security, an informed society is the means to engage in total defence. As taxpayer-funded bodies the NZ-China Council and the Asia NZ Foundation have a responsibility to present a balanced, New Zealand-centred view, not a pro-China position. Their membership boards should be fully-representative of our diverse New Zealand Chinese community and China-engaged sectors. Ministers of government with national security-related roles such as the Prime Minister, Foreign Minister, Minister of Defence, Minister for SIS, should keep the public informed about national security concerns related to China, as with those of other states.

## **Conclusion**

New Zealand is at a pivotal moment as it responds to a complex new security environment. Confronting the issue of foreign interference is a difficult matter for any state, let alone a small state like New Zealand, whose economy is focused on trade and tourism. The strategic order is shifting and New Zealand needs to adjust its foreign policy. The debate on what to do has swivelled between economic interests and national security. With regard to China, we need to continue to engage in a positive and constructive way, but we also need to work to protect the integrity of our political system. The political parties of New Zealand must come together, without recrimination, to address the issue of the CCP's interference in our political system. The way forward is to jointly:

1. Establish a non-partisan resilience strategy.
2. Exchange information and seek support from other like-minded states and sister political parties.
3. Focus on common points with China, while facing up to the differences and challenges in the wider relationship.

Getting the China relationship right is going to be one of New Zealand's greatest foreign and domestic policy challenges in the next few decades.

The changing global order offers both great opportunity and risk for New Zealand. Our country has a mature set of traditions, values and experiences to draw on when facing the future. New Zealand, like many of our friends and partners, is responding to the challenges with great thought and careful actions. Inaction is not an option. "Ki te kotahi te kākaho ka whati, ki te kāpuia, e kore e whati." Alone we can be broken. Standing together, we are invincible.<sup>65</sup>

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<sup>1</sup> "Explainer: Patrick Ho's Bribery Allegations, Top Hong Kong Official in US Police Custody," *Hong Kong Free Press*, November 21, 2017, <https://www.hongkongfp.com/2017/11/21/explainer-patrick-hos-bribery-allegations-top-hong-kong-official-us-police-custody/>.

<sup>2</sup> "CEFC Ye Jianming, the Unusual Journey of China's Newest Oil Baron," *Fortune*, September 28, 2016, <http://fortune.com/2016/09/28/cefc-ye-jianming-40-under-40/>.

<sup>3</sup> Andrew Chubb, "Pistons, PX, Petroleum, Politics: Checking in with Ye Jianming," January 17, 2017, <https://southseaconversations.wordpress.com/2017/01/17/pistons-px-petroleum-and-politics-checking-in-with-chairman-ye-jianming/>

<sup>4</sup> Sinopsis, Jichang Lulu, "Elite Capture with Chinese Characteristics," June 26, 2018, <https://sinopsis.cz/en/united-nations-with-chinese-characteristics-elite-capture-and-discourse-management-on-a-global-scale/>.

<sup>5</sup> Sinopsis, "Economic Diplomacy with Chinese Characteristics," February 8, 2018, <https://sinopsis.cz/en/cefc-economic-diplomacy-with-chinese-characteristics/>.

<sup>6</sup> The submission draws on, and builds on, my conference paper "Magic Weapons: China's Political Influence Activities Under Xi Jinping," "The corrosion of democracy under China's global influence, September 16-17, 2017, [https://www.wilsoncenter.org/sites/default/files/for\\_website\\_magicweaponsanne-mariesbradyseptember2017.pdf](https://www.wilsoncenter.org/sites/default/files/for_website_magicweaponsanne-mariesbradyseptember2017.pdf); and my 2017 policy advice to the NZ government "Looking for Common Points while Facing up to Differences: A New Model for New Zealand-China Relations,"

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