

**SHARP POWER VERSUS VALUES
DIPLOMACY IN THE INDO-PACIFIC**

In the Trump era, there has been a surge of interest in the upsurge of sharp power as a disruptive force in international relations and the precipitous decline in the role of diplomacy based on values as an ennobling factor in bilateral and multilateral relations. Geostategic fears and trade protectionism have taken center stage as strains are exacerbated by interference in internal affairs on an unparalleled scale and are rarely ameliorated by reassuring affirmation of shared values. The two principal actors in the Indo-Pacific battle between sharp power and values diplomacy are China and the United States. The first chapter in Part II deals directly with the standoff between the two, principal antagonists. In the following chapters, U.S. allies on the frontlines are covered: South Korea, which was battered by Chinese vilification over the Terminal High Altitude Area Defense (THAAD) deployment; Japan, a target of China only recently treated less harshly as Xi Jinping agreed to an official state visit by Abe Shinzo; and Australia, the most conspicuous example of China's use of sharp power. A final case covered in the chapters to follow is: North Korea, which in 2018 found new ways of using sharp power against South Korea. While authors vary in how they interpret the new concept of "sharp power" and in which country's value diplomacy they emphasize, this collection of five cases offers a foundation for generalizing about this struggle.

Gilbert Rozman, "Chinese Sharp Power and U.S. Values Diplomacy: How Do They Intersect?"

An intensifying backlash against Xi Jinping's makeover of China and Donald Trump's makeover of the United States has muddied thinking about the national identity struggle recently building between the world's top two powers. What was heralded as the "China Dream," benefiting from earlier touting of "harmonious" themes, became tarnished as the "China nightmare" of stooping to any means to steal secrets and undermine democracies. The long-admired "beacon on the hill" had become sullied as the valueless and selfish "America First" not able to champion democracy or even truth, which was dismissed as "fake news." China has forsaken an ideal opportunity for cultivating an appealing, soft power image as the custodian of the legacy of Confucian values (champion of education, meritocracy, family values, and hard work—ideals which had earlier underscored the rise of "Confucian capitalism" across East Asia) for an ideological agenda based on "pervasive, long-term initiatives against both government critics at home and businesses and academic institutions abroad." If the State Department had called Confucius Institutes "China's most powerful soft power platforms," they were increasingly being seen as agents of censorship or propaganda taking advantage of open academic environments somehow contributing to moves to steal sensitive research as well as to create an atmosphere conducive to the exercise of sharp power. At the same time, Trump has proved himself utterly uninterested in and incapable of standing for U.S. values at home or abroad. If we look beyond the situation today, how should we expect the Sino-U.S. clash of ideas to proceed? This is the question driving Rozman's opening chapter.

Sharp power is interference in internal affairs by stealth, planting agents of subversion, stirring anxieties with misinformation and stolen e-mails, and targeting elections and public opinion by means of deception. It has acquired entirely new dimensions by virtue of social media and the use of foreign agents and their money to convey messages in new ways.

While the objective of Putin has been to weaken the current order to gain relative strength, China's interference activities tend to be subtler and more methodical with a longer time frame, focusing on steadily cultivating relationships that can be exploited opportunistically in accordance with clear strategic objectives—an incremental process of eroding existing discursive and political structures and steadily building new CCP-centric ones to take their place. Given the priority on forging support for China's policies and, even more, disrupting any criticism of China, United Front targets are both opportunistic and strategic. The Chinese diaspora is viewed as most amenable to doing China's bidding; the business community is scrutinized for promising partners; a third target is the academic and think tank community, expected to be critical in democratic societies, but subject to divisive actions, given growing dependence on Chinese students abroad and visa approval for widely desired travel to China; the media world too offers a chance for manipulation in what is seen as a wide-ranging and enduring infiltration strategy.

Values diplomacy, by contrast, is the spread of accurate or idealized information about the positive values of one's country. If done without overkill or a lot of hypocrisy, this can be referred to as "smart power." Failure to sustain a wave of democratic change in the 1980-90s led to rethinking values diplomacy to make it more convincing through smart power. If sharp power has gained ground while smart power is abeyant, a counterattack against the former is gathering momentum along with revulsion against how the latter has been allowed to lapse; a new balance can be anticipated should a backlash follow Trump's values vacuum. For the United States to project values effectively it should stand as a paragon of the ideals long associated with it: democracy at full flowering, rule of law, checks and balances, equality of opportunity, multi-culturalism and respect for diversity, etc. Trump has trashed every one of the long-cherished ideals of his country, and he has done so on the backs of a Congress inclined to repudiate these same principles. Meanwhile, he has embraced world leaders who hold these principles in disrepute, while failing to reinforce the identity bonds with allies and partners who endorse them.

The global community is anticipating a deepening struggle between Washington and Beijing. Xi Jinping prioritizes an ideologically indoctrinated society over any manifestation of civil society. Document No. 9 made cultural work the principal political task, requiring "intense struggle" rather than past passivity on matters of national identity. With this increased pressure for conformity at home came intensified United Front demands abroad. China at times has conveyed an upbeat, soft power message. It minds its own business, never interfering in the internal affairs of other countries. It relies on economic ties, promising a win-win outcome. It prioritizes cooperation over competition in great power relations and as a good neighbor. As the champion of developing countries, China provides generous loans to build infrastructure and accelerate economic growth. It does not impose its values or export any sort of ideology, abiding by a live and let live philosophy. Relationships naturally are harmonious attitudes. Yet, Xi put the struggle over ideas in the forefront, initially putting stress on controlling thought at home but soon extending this approach to other states. China is not now renewing its soft power appeal.

In the case of Chinese sharp power, a strategy to bring it fully into the open and to work with others in a coalition of democracies and like-minded states is important. At all costs, U.S. leaders should avoid unilateralism that alienates its allies, xenophobia that makes

Chinese in the United States and in diasporas abroad racist targets, and hypocrisy exposing its own shortcomings to comparisons that allow China to succeed in countering criticisms. How Chinese officials respond to the recent backlash against the Confucian Institutes will test whether revival of soft power is sought.

Both Trump and Xi are a throwback to more exclusive notions of national identity with a clearer ideology, a prouder history, a more closed civilizational outlook, and a simplistic view of international relations. Each is intolerant of dissent with elements of paranoia, while at the same time disregarding soft power in an age of globalization. Because Trump mostly excludes values from his confrontation with China and Xi has until recently preferred to keep values in the background in foreign relations, some might assume that the rising Sino-U.S. clash is almost exclusively about both trade and the balance of power in Asia, when increasingly it exposes a deepening national identity gap. Post-Trump we can anticipate this coming fully into the open.

Kim Taehwan, “China’s Sharp Power and South Korea’s Peace Initiative”

Kim Taehwan describes a war of discourse on worldviews, reconstructing geographical spaces in a country’s own interest. Sharp power is gaining ground in a geopolitical competition combined with the battle for values and ideas, and China is at center stage in this geopolitics-cum-discourse game in the Indo-Pacific region. Yet, Kim notes, it is hard to distinguish sharp power from soft power; both utilize similar assets. The differences between the two are revealed only by looking into how those assets are mobilized in the real world. When actually put to use, sharp power is often mingled with soft and hard power, easily stretching into the realm of conventional security. Putting a focus on Beijing’s strategic moves made against the backdrop of the U.S. deployment of the THAAD system to South Korea, Kim examines the way China combines its sharp and hard power in tackling security issues that it considers as serving “core national interests.” He also addresses Seoul’s response to China’s sharp power offensive through the lens of inclusionary identity politics, which underscores the need for constructing a shared identity based on neutral, common values.

Beijing has been innovative in leveraging a combination of types of power to rewrite the terms of trade, diplomacy, and security, challenging the liberal international order. Realizing its soft-power deficit, however, Chinese leadership has underlined in the last decade the need for enhancing public diplomacy, which has been moving away from assuaging “China threat” perceptions in the West and neighboring countries toward the Chinese developmental model, the Chinese Communist Party (CCP)-ruled political system, and theories and values that support Chinese governance. Strategic narratives, particularly in the Xi Jinping era, appear to be composed of two elements: the vision of the “China Dream” and traditional Chinese values focused on Confucianism. Overcoming the historical injustice of the “century of humiliation” caused by Western imperialism and Japanese militarism, while Mao attained independence from colonialism and Deng realized economic prosperity, Xi would make China strong again in a new era. The CCP considers the restoration of traditional values integral to the “core socialist values” keeping Chinese people from being contaminated by a corrupt Western liberal ideology. China’s global domination is justified

with the traditional notion of *tianxia*, “all under heaven,” in which the world is ruled by the Chinese emperor, around which all else revolves, and from where China spreads harmony through its culture, language, and values—a Sinocentric empire that values order over freedom, ethics over law, and elite governance over democracy and human rights, according to Kim Taehwan’s views.

Sharp power refers to the ability to affect others to obtain desired outcomes not through attraction, as in the case of soft power, but through distraction and manipulation of information. Often involved in the exertion of sharp power are attempts by the government to guide, buy, or coerce political influence, and control discussion of sensitive topics globally, typically through nontransparent and questionable, if not outright illegal, means. Beijing is employing sharp power particularly in justifying the CCP’s uncontested grip on power and controlling discussions of sensitive issues abroad, while showcasing the China model of party-centered and state-led development and governance as an alternative to liberalism. Now that the country is exporting its political values and norms, China’s governance model is front and center in its foreign policy making and implementation. Sensitive issues are nothing but grave challenges to the CCP authorities and to Chinese sovereign integrity, which should be contained at any cost both at home and abroad. Beijing relentlessly seeks to face down every effort, both domestic and international, that is opposing the CCP, argues Kim Taehwan.

China’s sharp power poses grave challenges to the liberal international order, but what makes Beijing’s value-based offensive sharp-edged is not the discourse per se, but the methods it employs in propagating its narrative, Kim argues. He also sees the rise of far-right nationalist populism posing a grave challenge from within the liberalist group, fundamentally attached to ethno- or racial nationalism, and pan-European civilizational identities, demonizing everything foreign including individuals as well as political and economic establishments. The weakening, or voluntary abdication, of American liberal international leadership under the Trump administration accelerates the cleavages within the liberalist bloc itself. At the same time, the recent rapprochement between Beijing and Moscow, founded on normative affinity anti-liberalist discourse, has considerable persuasive power and attraction, i.e. soft power, for some developing countries and non-democratic regimes. This is the environment Kim sees for Seoul.

“Blocization” of values, unlike in the Cold War era, essentially builds on deleterious identity politics, which is revealing exclusionary collective resentments based on national, ethnic, religious, sectarian, and other primal identities and trumpeting anti-liberalist values. Value “blocization,” thus, takes place in the form of scattered confrontations between different national and primal identities, in contrast to the two clashing ideological blocs consolidated in the Cold War era.

Seoul’s expectations for Beijing’s positive role in resolving the North Korean nuclear issue were heightened by “unprecedentedly good relations” with China in the Park Geun-hye administration. North Korea’s fourth nuclear test in January 2016 turned the atmosphere sour, however. Park vainly tried to reach Xi Jinping on the phone. Frustrated, she tightened pressure on North Korea by enhancing Seoul-Washington security cooperation. Concerned about the enhancement of trilateral security cooperation, China imposed unofficial economic sanctions—a veiled maneuver difficult to prove—as a retaliatory measure against what it

perceives as an infringement on its “core interests. In the THAAD case, Chinese authorities denied any official measures against South Korean products. China tried to exploit divided views on the THAAD deployment within South Korea to its advantage, for both reversing the decision and driving a wedge between South Korea and the U.S. A binary approach was evident in Korean public discourse, labeling THAAD supporters “pro-American,” and those who oppose it “pro-Chinese.” Beijing methodically and deliberately stoked Chinese nationalism as a means of strengthening social cohesion in pressuring South Korea. This led to circular effects mutually reinforcing between unofficial sanctions, the media’s negative and aggressive coverage, and Chinese public opinion. This is the kind of sharp power Kim Taehwan observed.

Kim assesses South Korea’s value diplomacy along three dimensions—values embedded in the country’s national identity, its cognitive frame to construct social reality from material reality, and its role to fulfill the values. Kim sees progressives and conservatives competitively constructing contending views on North Korea as a crucial element—the significant other—of South Korean national identity, which have been reproduced and amplified by experts, policymakers, and media. The respective continuity in North Korean policy of progressive administrations and conservative administrations demonstrates the enduring effect of South Korea’s identity politics on its North Korea policy choice in particular, and value diplomacy in general.

Kim Taehwan notes South Korea’s role in three areas: balanced diplomacy between the U.S. and China, inter-Korean reconciliation, and mediation between North Korea and the U.S. The resolution of the THAAD dispute between Seoul and Beijing, however incomplete it may be, could be viewed as South Korea’s effort to take a balanced position between the U.S. and China. It agreed to at least symbolically distance itself from a U.S.-led strategy of containing China’s presence in the region, in an effort to assure Beijing of its strategic position. The agreement stirred up fierce domestic disputes; conservatives said it was humiliating, low-posture diplomacy damaging security sovereignty, progressives valuing it as peace momentum. Seen in this perspective of a geopolitical trap, improvement of inter-Korean relations and the establishment of a lasting peace on the Korean Peninsula would be a crucial, fundamental requisite to effectively navigate through the coming wave of China’s sharp power offensive. The role of an inclusive peace facilitator, once successfully performed and recognized by the international community, would provide Seoul with diplomatic leverage punching over its hard power weight, concludes Kim.

John Fitzgerald, “Just a Dash? China’s Sharp Power and Australia’s Value Diplomacy”

The actions of Xi Jinping’s government have triggered a major rethink on the place of values in Australia foreign policy and diplomacy, compelling the people and government to recalibrate their relationship with China. Comparing the place of values across an historical series of foreign policy statements can provide a crude but useful measure of changes in Australian foreign policy thinking and of the factors that trigger and shape these changes, Fitzgerald says. A definition of the national interest that focused on jobs and security all but excluded values diplomacy from the Australian foreign policy toolbox, leaving values only a

supporting role, chiefly bearing on the ways and means through which national interests are pursued, rather than touching on fundamental interests themselves, or being factored into assessments of the risks and opportunities facing the country. Then, Beijing's occupation and militarization of disputed territories in the South China Sea, its disregard for the arbitral ruling on the Philippines case, and its attempts to influence Australian public opinion and political judgments on these and related matters through sharp power—covert, coercive, and possibly corrupt interference operations—together prompted a major reassessment of Australian foreign, trade, and security policy. The process of strategic reassessment culminated in the passage of new legislation on foreign interference and espionage, and the publication of a new Foreign Policy White Paper in November 2017, which signaled a departure from earlier practice in elevating values to a position of preeminence in Australian strategic thinking and foreign policy planning.

While values were clearly articulated in the first and second White Papers, they were framed in terms that insulated them from public diplomacy and were subordinated to an ideal of the national interest that centered on trade and security. The 2017 White Paper reflects growing concerns about China's role and intentions in the region and its use of sharp power in Australia. Following this reformulation, values can no longer be dismissed as a dash of garnish sprinkled on the hard-headed pursuit of national interests. Upholding values was declared a core national interest. From 2017 values began to matter in Australia's relations with China, Fitzgerald notes.

Values diplomacy has rarely played a role in Australian foreign policy comparable to the place it occupies in American diplomacy despite a public debate on the "Asianization" of Australia that merged into a wider series of discursive battles that came to be known as the culture wars and the history wars. Conservatives who favored the idea that values were rooted in cultural traditions—whether Anglophone or "Judeo-Christian"—swore they would never surrender Australia's identity or values to the imperatives of Asian engagement. Progressives who favored a culturally-agnostic mix of identity and values saw little risk to Australian identity or values in closer engagement with Asia. Finally, the 2017 Foreign Policy White paper marked a significant break, challenging assertions found in earlier White Papers that Australian identity and values were grounded in a particular ethnic heritage, first by emphatically dissociating national identity from race and religion ("Australia does not define its national identity by race or religion"), and then by omitting the terms "Western heritage" and "European heritage." It shifted the locus of national identity from one based on heritage to one grounded in values.

By elevating values to the core of national identity and reframing them in commonly-understood terms, the 2017 White Paper signaled that Australia's values had salience beyond Australia's borders. Australian values are now understood as universal values that Australians shared with one another and with like-minded partners abroad. Securing Australian values now requires international values advocacy on such issues as threats to the "rules-based order," signs of growing racial and national intolerance, and evidence that countries such as China were acting to undermine the postwar security regime. Australia as a middle power was particularly susceptible to threats to the international order from which it had benefited historically.

For the government of China, the folksy ethnocentric tone of the 1997 and 2003 White Paper statements on identity and values was reassuring. Australia had little intention of promoting values beyond its borders and believed values were based on national cultures and traditions, rather than on universal principles, in effect endorsing the authoritarian values. Yet, the new White Paper triggered concern over a lack of gratitude toward the Chinese government for lifting Australia's economy out of the doldrums, but motivated at a deeper level by the attempt to "essentialize" national identity in terms of values that contrasted starkly with those professed by China's Communist Party government.

Current concerns in the Australian community and government are not over the rise of China but about the growing reach and authoritarian aspirations of a powerful Leninist state that seeks to set the ground rules for others in the region to follow, and to interfere where it can to ensure that they do, argues Fitzgerald. Australia does not see China as an enemy or as a hostile power. But neither does it regard a country practicing and espousing Leninist values abroad as a benign or neutral player. Placing the fundamental principles which Australians value and share onto the national foreign policy agenda, and promoting them through public diplomacy, brings greater clarity to the differences separating Australia from China that are patently in need of protection.

Aram Hur, "North Korea's Sharp Power and the Divide Over Korean Identities"

Unlike China or Russia, to secure long-term survival, North Korea ultimately needs cooperation from the rival democracy it seeks to undermine, argues Hur, finding that this produces a brand of "trojan horse" sharp power: the hijacking of South Korea's value diplomacy apparatus to disseminate a dual narrative. Externally, North Korea aims to project soft power hand-in-hand with South Korea to the international community, while internally, it exploits South Korea's nationalist divisions. She argues that authoritarian states resort to sharp power for political ends that cannot otherwise be achieved through soft or hard power alone, exploiting pressures that are internal to the target state to force its hand. Sometimes, those are about exacerbating internal divisions, but other times—as in the case of North Korea's strategy—they are about stoking internal unity in the target state to bind the leader. North Korea hijacks South Korea's value diplomacy efforts to promote a dual narrative. To survive against pressures from the United States and the international community at large, it ultimately needs cooperation from the rival democracy that it seeks to undermine in the long run.

Authoritarian states are not very good at soft power, especially toward democracies, and hard power increasingly comes with high political costs. Sharp power, on the other hand, has become exponentially cheaper with communications technology and comes with less threat of retribution. Authoritarian states enjoy a comparative advantage in the sharp realm: whereas the information environment is porous and decentralized in many democracies, authoritarian states tend to have tight and centralized control. The gap between the capability of the authoritarian state and the vulnerability of the target state is the main explanation for the recent rise in sharp power usage. The primary way that sharp power differs from hard or soft power is that the leverage point for pressure is internal.

It exploits narrative forces within the target state itself to constrain it. Unlike soft power, which aims to move a target state through attraction and shared values, these efforts are sharp in the sense that they pierce, penetrate, or perforate the information environments in the targeted countries. Hur understands sharp power in the context of specific states and political conflicts, rather than as a monolithic or unilateral strategy, as soft power is often portrayed.

The growing identity divide toward North Korea among key constituencies in South Korea can serve as points of leverage for North Korea. Hur illustrates North Korea's most prominent sharp efforts from 2018: the Pyeongchang Olympics and the third inter-Korean summit. These events were deliberately leveraged to target internal cleavages—sometimes by dividing, other times by uniting—to push South Korea toward desired ends. The basis of this is that both Koreas claim legitimacy over the entire peninsula based on the ethno-national principle. The progressive-conservative divide in South Korea has less to do with the economic agenda that defines the left-right political spectrum in most Western democracies, and more to do with national narrative, specifically vis-a-vis the North. Neither group defines or claims North Korea as a national “other.” The “us” versus “them” divide is of a much subtler sort: whether they see co-nationality with North Korea as an asset or threat to democratic stability in the South.

South Korea can be an invaluable shield for North Korea, as it constrains the U.S. from taking any actions against North Korea that would hurt or jeopardize security in the South. In the wake of a thinning alliance with China, North Korea finds itself in need of cooperation from a rival democracy that it ultimately seeks to defeat. Unlike a military or political alliance, an identity alliance would be a shared sense of purpose in facing pressures from the outside world. Yet, for North Korea, a troubling trend is that the importance of ethnicity as the basis for Korean identity is fading. Externally, it needs to project a “soft” identity alliance with South Korea to an international—and specifically U.S.—audience. Internally, it needs to gain narrative leverage over South Korea's domestic forces to balance its contradictory short-term versus long-term goals toward South Korea. In the short term, it needs to secure an identity alliance, while in the long term, it wants to undermine South Korea's legitimacy. Unilateral soft power toward South Korea would undermine Kim's own legitimacy in the North. Trying to coerce South Korea into an identity alliance would risk further alienating the North from the international community.

When perceived commitment from South Korea to an identity alliance is strong, North Korea uses sharp power to stoke divisions within South Korea to undermine its legitimacy, even while on the surface working toward such an alliance. When perceived commitment is weak, however, North Korea uses sharp power to manipulate opposition forces within South Korea to build internal popular support for an identity alliance. Hur argues that North Korea does this by hijacking South Korea's most prominent soft power efforts. North Korea proactively supports them, but in the process of participation, it exploits direct access to the South Korean public to inject performances or narrative nuggets that grant it leverage over South Korea's identity cleavages. It then wields that leverage—sometimes by dividing and other times by uniting the South Korean public—to put internal pressure on the Moon administration to cooperate.

Not only did it partake in the Olympics, but it walked in joint procession with the South under a “one Korea” banner and sent a 400-person cultural troupe, including the famed cheerleaders along with athletes. To do so on South Korea’s turf held novel symbolic value and elevated the North’s status to essentially a co-host, even as it deliberately provoked divisive cleavages within South Korea to undermine internal legitimacy. After demanding a joint North-South hockey team, during the match in which the team competed, North Koreans raised a prop of a young man’s face, Kim Il-sung’s, which aroused older viewers, presumably conservatives, able to recognize it, thus, exacerbating internal discord within South Korea.

What worries North Korea most is a U.S.-South Korea identity alliance on the foundation of an actual alliance that is stronger than an inter-Korean identity alliance. To keep the former at bay, it needs a South Korea that prioritizes the latter and tries to achieve this by building pressure on South Korea from within to prioritize an inter-Korean alliance. The strategy began with framing the summit as a “historic” turning point of revival and rebirth for the peninsula. It succeeded in increasing perceptions of trustworthiness toward North Korea. Hur also claims that Kim’s repertoire at the inter-Korean summit was a prime example of Trojan Horse sharp power: hijack what appears to an international audience to be a high-profile “soft” event to seed narrative nuggets that put internal pressure on South Korea’s option set. With the U.S. now exerting its own pressure on Moon’s commitment, North Korea’s strategy was to gain leverage from within: to rally pro-North support in Moon’s key, and formerly apathetic to negative, constituency—youth—to force his prioritization of an inter-Korean alliance. Any anti-North Korea opposition efforts by conservatives are characterized as “not being able to read the *minjung’s will*” and “anti-nationalist,” effectively framing any hesitance on the part of Moon as not responding to the public’s preference. Hur suggests that Kim Jong-un’s strategy has been working well.