Australia and China at Forty: Stretch of the Imagination

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A lecture presented on behalf of the

Australian Centre on China in the World

中华全球研究中心

College of Asia and the Pacific

Australian National University

Marking the Fortieth Anniversary of Australia-China Diplomatic Ties

By Way of Introduction

I was delighted when Stephen FitzGerald agreed to my invitation to present a keynote address at our Australian Centre on China in the World (CIW). The following lecture marks the fortieth anniversary of a new stage in the Australia-China relationship inaugurated by the normalisation of diplomatic relations between the Commonwealth of Australia and the People’s Republic of China in December 1972.

Stephen FitzGerald was appointed as Australia’s first ambassador to the People’s Republic by the newly elected Prime Minister Gough Whitlam, head of a Labor government that, upon its electoral victory in December 1972, quickly moved to recognise that country. In the lead up to the 1972 election, on 13 November, Whitlam made one of the most famous political speeches in Australian history, It’s Time. In it he declared that one of the aims of the new government would be ‘to liberate the talents and uplift the horizons of the Australian people.’ I think of uplifting horizons four decades on, as I read Steve’s 'Stretch of the Imagination'.

Due to ill health, Steve was unable to present the lecture on 1 November as planned. He has, however, kindly agreed to let us publish and distribute what is a profoundly thoughtful, visionary and challenging commemorative lecture on the past of Australia and China, the present of the relationship and its imagined (and hoped for) future.

This address is one of a series of lectures, activities and publications by which our Centre has celebrated the Australia-China relationship in this anniversary year. In February 2012, we launched our CIW-CICIR Report on the Bilateral Australia-China Relationship at Capital M overlooking Tiananmen Square in Beijing (the report is available in print form and in downloadable PDF form on our Centre website). In July, we co-hosted a visit and public address by Professor Ezra Vogel of Harvard University; in August, we launched The China Story Project and China Story Yearbook 2012, available on this site; and, in September, Professor Emeritus Wang Gungwu from
Singapore presented the Second CIW Annual Lecture. The following lecture is also a welcome addition to the considerable body of material published in recent years on the changing landscape of the Australia-China-US relationship. For details, see The Australia-China Story section of this site.

As ambassador to the People’s Republic during the years 1973-1976, Steve ran an embassy in Beijing at a time of unquiet, tension and eventually dramatic upheaval (and not only in China). He did so with the assistance of a group of talented and committed Foreign Affairs colleagues. Together they engaged with the China of the late-Cultural Revolution era with insight, energy and dedication. It was also an embassy that engaged with the small and motley groups of Australian students studying in China from 1973. It was an honour for me to be among them. It was, many years later, an honour to be invited by Steve to speak at a commemoration of the thirtieth anniversary of the Australia-China relationship organised by his Asia-Australia Institute of the University of New South Wales at the State Library in Sydney, in November 2002.* Now, ten years later, it is an honour and pleasure for me to recommend Stephen FitzGerald’s lecture to you.

Geremie R. Barmé
Founding Director
Australian Centre on China in the World
12 November 2012, Canberra

Note: The text of this lecture is also available on the Centre site. An English-Chinese en face bilingual version will be published in December 2012.

When Geremie Barmé, director of the Australian Centre on China in the World, invited me to discuss Australia-China at forty, he suggested I might like to address some of the major dilemmas of the relationship. I’ll give it a try.

The Leadership of Ideas
Jack Hibberd’s A Stretch of the Imagination was the first Australian play to be produced in the People’s Republic of China, in 1987. It played to packed houses for six weeks. I have often wondered what image of Australia those Chinese audiences took away from this monodrama, which presents a misogynistic, misanthropic old man awaiting death in the Australian Outback, re-living his life and loves, shooting his dog, quoting Plato, in ‘a monologue sprinkled with piss, fart and dick jokes.’[1] It must have been a bit of a stretch, in 1987. I think it takes a bit of a stretch for
Australia today to have a real view of political China and the kind of close political relationship we need but do not have.

Sometimes over the last forty years I have thought we were getting it right with China. This not one of those times. I’ve recently written an account of the Whitlam visit to China in 1971, when he was Opposition Leader.[2] And I’m struck now, as I was excited then, by the political boldness of it, the independence of thinking about both China and the US, the depth of historical and contemporary understanding of international affairs, the way a China strategy was set out and patiently explained in speech after thoughtful speech. The leadership of ideas. I’m not sure if one could say those things about Australia’s present approach to China. It is difficult to know what the government thinks about it in a deeper, broader, longer-term political sense, because it doesn’t conceptualise, explain, present best and worst case scenarios, offer a strategic framework. Government policy on China seems at odds with important Australian realities, more so now than at any time since before that 1971 Whitlam visit to Beijing. And that is notwithstanding the Asian Century White Paper and its exegesis by the Prime Minister.[3]

I’m not ignoring the great many things going on between Australia and China which are uncomplicated and unconfused, the popular, the academic, the cultural and creative, the business, the many areas of day-to-day public service interaction where there is a productive working relationship and a positive energy. In these many ways the relationship between our two peoples is rich and rewarding, how we wanted it to be when we set out.

It’s the thinking about it in that deeper, broader, longer-term sense that’s the concern, as is the absence of stretch in the imagination. You can go to China a dozen times a year, but if there’s no strategic view, and no depth of political understanding or depth in the political relationship, it doesn’t mean you’re getting it right. This is in one sense not special to our relations with China. When I talk to others about our relations with Indonesia, for example, or India, or Japan, or Korea, there is often a
similar observation, about a certain amount of busy-busy activity at the top with lots happening on the ground but insufficient political depth. It’s an Australian problem, and a media problem and not just one of the political class, although the two are sometimes hard to distinguish. We haven’t been investing seriously in spreading and deepening our engagement with political elites and influential institutions in these countries. But China is special because of the huge importance it has assumed in our bilateral relations, in our region and in global equations of influence and power.

Before Whitlam went to China in 1971, Australia’s China policy had become in many respects a function of US China policy. Australia’s China policy today is again becoming a function of US policy, in that Australia has made itself a military accessory to Washington’s re-invigorated alliance system in the Pacific, which is about buttressing Washington’s position vis-à-vis Beijing, providing support for its rivalry and contest with Beijing in Asia and the Pacific, and collateral for a policy for containment of China. The government denies it’s directed against China but the way it’s discussed in the US belies the denial, and the government’s commitment to this military/strategic direction in US foreign policy contradicts the contention its own White Paper that ‘this is not a world in which anything like a containment policy can work or be in our national interests’.[4] And on the matter of signing up to this US policy, between government and opposition there’s a weird unspoken complicity of competitive bipartisanship.

That’s where we’ve come back to, after forty years.

Let me make one thing clear. The point I am making is not about choice between China and America, which is how it has often been characterised, trivialised and deflected by the government to suggest that its critics only think in such absurdities. The point is about the nature of our relations. With China, and with the US.
And the problem is, the object of the policy of containment is now a country with which we have an overwhelmingly important relationship, second only to that which we have with the US, and an array of intersecting and common interests, not to mention that it’s our major trading partner and recent economic lifeline, a country with which it is in our national interests to have extremely good political relations and an effective voice. And the government adopted its new military tilt to the United States without offering the Australian people any strategic view on where it thinks this means we are heading politically and strategically with China in the longer term. Government has vacated the leadership of ideas on China, and the Opposition does not fill the void.

From the 1960s, debate about the Australian response to Asia was fuelled by ideas from the very top. Whitlam on China, for example, Fraser on fleeing Vietnamese and non-European refugees, Hawke on enmeshment, Hawke and Keating both on institutional regionalism, Keating on finding security in not from Asia. These were all tough issues, and there was a strong contest of ideas but there was also a progressively more open and imaginative attitude to the challenges of our region, if not always agreement. The debate necessarily entailed discussion of our identity, what ideas and values were fundamental to our Australianness and could not be compromised.

John Howard deliberately put that discussion to sleep and openly congratulated himself on having done so. In 2003 he told a Liberal Party Convention: ‘we have ended that long seemingly perpetual symposium on our self identity that seemed to occupy the ten years between the middle of the 1980s and the defeat of the Keating government in 1996.’[5] He achieved this somnific outcome largely by withdrawing himself and his government from debate about Asia. If government doesn’t engage it’s difficult to have a policy debate that goes anywhere. And there were other negative incentives at the time which he encouraged, like the tacit disparagement of Asia that followed the Asian financial crisis in 1997 and the dog whistle politics of race after the rise of Pauline Hanson. He had a prescriptive and dated view of what it
means to be Australian which ignored our demography and our geography. Such messages as he did give out on China were business as usual, and nothing about ideas or long-range strategies. He was the one who first set up the false dichotomy of choice between the US and China, in order to suggest that his predecessors had made such a choice and he had not. But it wasn’t a dichotomy. The idea of an independent foreign policy with strong if different relations with both had long been fact. It was Whitlam who enunciated it, and demonstrated it in plain speaking with Chinese Premier Zhou Enlai in Beijing in 1971, and it was a complete distortion for Howard to imply as he did that under Keating Australia had made a choice for China. But if Howard vacated the leadership of ideas and put the debate to sleep, his successors didn’t stir it from its slumber.

China Strategy and Debate

This bit of history is important because we have to realise that government has not been in the business of the leadership of ideas about China or the rest of the region now for nearly a decade and a half. Asia has become a technocratic/transactional/economic/security exercise and not a dynamic engagement driven by ideas or political understanding or strategic thinking. And the longer this goes on the less government wants to debate its policies and the greater the risk that governments lose the sense of strategy altogether. As the CEO of the ANZ bank, Mike Smith, said to the Australia-China Business Council in July this year, there is what he politely called a ‘lack of attention’ to ‘an over-arching view of the Australia-China relationship and its long-term health’, and he called for ‘a return to the sense of strategy and focus on China that Australia developed in the 1980s and 1990s.’[6]

Mike Smith thought the White Paper on the Asian Century might provide some answers. Perhaps. I welcome the fact of the White Paper, and the Prime Minister’s aspirational commitment to Asia, because the signals that come from the very top can have a motivating effect in public life and in the community. But, numbers and statistics aside, almost all of it could have been written a dozen years ago and indeed most of it was in one form or another, and some of it back in the 1980s, and it has
taken this long for this government to catch up. And we’re in hazardous territory when government itself doesn’t lead with ideas, has no narrative of its own, and outsources the thinking to someone else. If there’s no strong sense of the ideas and the issues on the part of the political leadership, and no intellectual investment in the conceptual part, chances are there won’t be the imagination or conviction to carry someone else’s ideas through. We have seen this happen. How many strategies, for example, relating to Asia in various forms? How many government declarations of support? But how many times a failure to grasp what this idea is really about, or even what it takes just to secure foreign language learning in schools and universities? And how often a withering away of the state funding, as the government’s own Asian Studies Council withered away in 1990 when the government declined to renew its mandate? Or looking elsewhere, take the fate of the Henry Tax Review or, by the look of it, much of the Gonski Education Review.

I don’t know the full story of the hiccups in the finalisation of the Asian Century Review. But in my experience of reviews of this kind, the minister responsible, in this case the Prime Minister, has to engage regularly with, *and be able to contest*, the ideas, concepts and strategic and policy options as they are developing, for there to be strong strategic outcomes. We wait to see if from this process the government will develop that over-arching view and sense of strategy and focus on China whose absence Mike Smith lamented. It’s not there in the current document.

The problem is, that other decision which has already been made about relations with the United States carries an unavoidable implied strategic view of our relations with China. Ken Henry, in an opening shot in his new role as Executive Chair of the ANU Institute of Public Policy, had the following to say about this kind of decision-making: ‘I can’t remember,’ he says, ‘a time in the last 25 years when the quality of public policy debate has been as bad as it is right now. I think it is quite serious. There is an insufficient understanding of the issues that Australia confronts. There is a role for deeper analysis, there’s a role for deeper thinking and there’s a role for a much higher quality of public debate and all of this needs to happen before
governments make and announce decisions.’[7] That can certainly be said about China policy. Henry argues that part of the reason for this problem is that academic specialists have retreated into the ivory tower and become divorced from 'the real world debate'.

I have some sympathy for the academics, because of the way public discussion is often reduced to caricature by the media, the dismissive spin with which government responds to intellectual debate, and the personal denigration that too often greets different views. Not to mention the distraction of the contemporary Australian university environment, with its tyranny of KPIs, performance reviews, survey and information demands from government, competition for funds, and academic contribution measured in work points. A group of Sinologists told me recently they couldn’t do public policy because it didn’t give them work points. Work points! In China they went out with Chairman Mao. But Henry’s observation is true of many China academics, a problem Professor Barmé has underlined heavily in the excellent *2012 China Story Yearbook.*[8]

And it’s true also of the White Paper process. As some have pointed out, in the past there was a practice of first putting out a Green Paper canvassing the big ideas and encouraging public debate around those ideas before getting to a more policy-definitive White Paper. But in launching the Asian Century White Paper, the Prime Minister simply told us it is ‘the plan which answers the question’.[9]

We have to thank Hugh White for stirring into wakefulness the debate about our future with China. But here again, beyond bits of riposte and tit-for-tat and self-awarded ticks, the government itself has not really engaged in that debate with a coherent narrative of its own.

**Disjunction between Economic and Political Relations**

There is another issue, which is both fallout from the lack of debate and reinforcement for the government not seeing a need for a broad strategic view.
Australians have become comfortable with the idea that the relationship with China is essentially commercial, that China policy is skewed to focus overwhelmingly on the economic and what we can get out of it.

There’s a bit of history here, too. It was in the second half of the ‘90s that this contraction in China focus to the economic began, and a separation of policy into deepening economic engagement on the one hand but retreat from the Hawke/Keating strategy of deepening political engagement on the other. This was a political choice. But there were also other factors at work, and one which I think was important was a shift in attitudes in Australian society at that time, the rise of the ‘aspirational voter’. This was the voter more interested in an ever-better personal material life than in party platforms for reform or social change or policy debate about ideas or visions or values. This trend went hand in hand with the rise of the aspirational politician, the one who cares less about ideas and principles and standing on them and more about gaining and staying in office and therefore more about the aspirations of aspirational voters, and what Ken Henry calls ‘the race for political points and the key to the Lodge’. That aspirational culture has since been overtaken by the culture of entitlement, perpetual material winning, fed shamelessly by both sides of politics.

This social change did not arise from anything to do with China, but I think it helps to explain, not why government took an increasingly economic-focussed view of the relationship, but why Australians by and large thought it unexceptional. A ‘what’s in it for me’ attitude to domestic political parties was comfortable with a ‘what’s in it for us’ attitude to a foreign relationship, and not too much taxing stuff about China literacy or learning to live with China. It’s excellent that we have a strong and mutually beneficial economic relationship. But as the ANZ’s Mike Smith said: ‘we need to challenge ourselves by asking is a focus on our economic relationship with China – our central connection – all there is? Are we happy enough simply being solid reliable buyers and sellers, and even investors?’ And he’s a banker.
But if you look at where the emphasis falls in the new White Paper and in the Prime Minister’s speech introducing it, it’s on the economic and mainly about us and the ‘what’s in it for us’. It’s about ‘winning in the Asian Century’, she said.

The disjunction between the economic and the political is most apparent on the subject of Chinese investment in Australia, one of the few serious issues on which the government has joined debate about China, even if mostly only when forced to. It wants Australia to be open to Chinese investment, more or less, but it has lacked the kind of political relationship that could test questions or reservations about some aspects of this investment and give it political confidence in its economic decisions, leaving it all too often defensive in the way it handles the issue.

Linda Jakobson has captured this dilemma in her Lowy Institute Brief, *Australia - China ties: in search of political trust*. Political trust. For the purpose of understanding, caucusing and where possible influencing and cooperating, but not, as she emphasises, for political endorsement. She points out that Germany, which most Australians if they thought about it would regard as geo-strategically remote from China and not at all affected by it in the way we are, has a quite intensive dialogue with China of this kind. And here’s what an official Chinese release on the latest round of Sino-German talks chose to highlight: a relationship of frequent visits at high level, an effective dialogue mechanism, substantial cooperation, mutual trust.

For Australia to have got this far and not to have that political trust has been to say the least neglectful. So it is heartening that the government has now proposed to the Chinese a three-tier dialogue process, at Prime Minister, Foreign Minister and Treasurer level. It has taken from 1996 until Bob Carr to get there, and he is to be applauded for this initiative. But it’s astonishing that it was so neglected for so long, and having left it so long it will now be harder to achieve. The timing of the approach, in the midst of a troubled Chinese leadership transition, is not ideal. And in my view an initiative of this kind should only be raised directly at head of state or
government level. There are too many opportunities for protective or self-interested officials to get in the way of a positive response when the approach comes at lower level. There is a lot of ground to make up.

**Imagining China**

And here I think is the single biggest dilemma Australia faces in relations with China. We have to have that stretch of the imagination; we have to be able to imagine a different kind of relationship and a different concept of China to establish that political trust. How we imagine China has of course often been an issue for Australians, since before Federation, and because of cultural, linguistic, political and geographical distance it was never easy. But now China is here, and the distance is yesterday. With the exception of Bob Carr and Malcolm Turnbull and possibly one or two others on either side of the parliamentary despatch box the contemporary Australian political class in general seems not to have been able to think itself into the kind of relationship that fact demands. Here is how I believe we ought to imagine it.

We have to think about China, not as another United States – that would be ridiculous – but in somewhat the same conceptual and functional way as we think about the United States, or other parts of the world where we have more longstanding relationships than we have with China – the UK for example, or Europe. We have important economic relationships with all of those, but the way we think about them and feel we can relate to them is multi-dimensional and not just economic, and in our policy we respond to several dimensions and in our relations we work at knowing them in these several dimensions, and knowing their politics as well as their political and other elites.

That’s how we have to think about China, and invest in the relationship in the way we have over many decades both casually and in structured exchanges in the United States. We have to be able to imagine a relationship comparable to that which we have with the United States in the sense that we should aim to have in China a
comparable breadth of access and clarity of voice in the centres of political power and influence. Most immediately, this requires close and frequent engagement at the highest level of government, as apparently now envisaged by Bob Carr. But once a year? And sometimes in the wings of multilateral relations? Which is how the proposal has been reported. What we need is an intensity of sustained personal contact, as exists, for example, among leaders of the ASEAN states, or between the Europeans. We have to cultivate confidence on the Chinese side that that much contact is worth it for them. And we have to be prepared to ignore the distance and get on a plane, repeatedly when necessary. Because a good political relationship depends on maintaining that intensity of contact.

But that’s only a beginning. We also have to work, as a long-term project, on the lack of breadth and depth I mentioned earlier. By and large, the Australian political class has not developed extensive personal networks in different centres of power in China and with people on the way up – government, party, military, business, writers, social researchers, public intellectuals, think tankers, policy wonks, whatever. We have to attend to this. It will be important for giving stability and sustainability to over-arching dialogue and summitry. But it’s also essential for developing connections and friendships that will enable us to talk easily and at will with many people, and begin to think about China in a more rounded, less Anglo-centric and, dare I say, more human way. This is not just for politicians, but for public servants and advisers and staffers, and the flotilla of interest groups that hangs around the foreign relations process. Not everyone, of course. That would be preposterous, and we don’t have or need that anyway with the United States. But there have to be enough.

The Prime Minister has now embraced an aspiration that by 2025 one third of Australia’s top 200 publicly listed companies and one third of the senior leadership of the Australian Public Service should have deep experience in and knowledge of Asia.[12] Leaving aside that thirteen years is too long to wait, and for such a modest outcome, why does she not also designate one third, at least, of federal and state
politicians? That she does not tells us a lot about the self-perception and self-knowledge of the Australian political class.

We must also begin now, as a high priority, to target the next generation of Chinese leaders, particularly those who will rise to power at the time of the next leadership transition in 2022, with a well thought-out and targeted program involving Australians and Chinese in extended study tours, dialogues, secondments, internships, and specially funded elite programs in our universities to attract the cream of Chinese students into graduate studies together with the best and brightest of Australians.

You don’t have to like the Chinese system. You don’t have to kowtow to the Chinese, just as you don’t have to kowtow to the Americans. You don’t even have to like Chinese people if that’s your bent. Some people don’t like the British or Americans. But imagining China in this way, and engaging through many channels and at many levels will help us in getting towards the access and clarity of voice we need. That’s what a mature relationship would look like.

A Strategic Relationship with China?
Dealing with official China can be difficult, and official China doesn’t always make it easy. The lack of transparency, the blurring of party and government which makes it difficult to know exactly where decision-making lies, the hierarchy issue which often pressures the foreigner to accept a lower than equivalent level of access, even the fact that from the highest down to the lowest levels in the Chinese government you never see a Chinese politician or official in their working office, and of course the special guanxi among Chinese into which a non-Chinese foreigner finds it difficult to find a way. And for China, Australia is a long way behind the US and quite a number of other major foreign policy priorities. According to the former ambassador to Beijing, Geoff Raby, in recent years Australia has had difficulty competing for access.[13]
But it’s not out of the question for Australia to expect a relationship of the kind I have outlined. Australia may not be front-of-the-mind in the everyday counsels of the Chinese Politburo, but it is significant enough for China to want a more strategic relationship. Deputy Prime Minister (and now Premier-elect) Li Keqiang publicly suggested as much when he visited Australia in October 2009 to calm the troubled waters in our relations of the preceding eighteen months. This had started with Kevin Rudd’s speech at Peking University in April 2008, in which an attempt to raise the human rights issue by offering an opinion as a ‘outspoken friend’ zhengyou misfired and got up the nose of many in the Chinese government, moved on to the Defence White Paper, which suggested China as military adversary, a proposition Kevin Rudd never denied, then to the fracas over the arrest of Stern Hu, and the Chinese demand to censor the Melbourne Film Festival, and the government was doing nothing at high level to sort it out.

But Li Keqiang came to Australia. There was an economic element to his visit, of course, but it also signalled that the disruptions in the relationship were of some concern. He went on record saying China and Australia needed a ‘healthy and stable’ relationship, for which read China wanted this but believed this hadn’t been the case in the recent past.

And what the official Chinese release chose to report up-front about this visit was this: ‘Stressing dialogue, coordination and cooperation were crucial for bilateral relations, the Vice Premier said both nations need to adhere to a strategic and long-term perspective to deal with bilateral ties. Only by joint efforts could the two sides achieve common progress’. [14] I don’t know what was said in private. But it seemed to me it was about a deeper and more meaningful overall strategic engagement, a partnership, and if that was what Li was offering, as far as I can see the Australian government passed. If it was, we can assume that reflects a broadly shared strategic view in Beijing, and Xi Jinping (now President-in waiting), on a visit to Australia in 2010, seemed to confirm this.
That being said, there are complex influences on China’s foreign policy decision-making and we can’t expect that everyone in China will always be reading from the same book. I want to raise two of these, because they require a deeper and more sophisticated understanding of China on our part, and a strategy for careful management.

**China’s Foreign Policy Spectrum**

One is the dilution of the power and influence of the traditional foreign affairs establishment, with the rise of influential new actors in foreign policy, which Linda Jakobson has described in another analytical paper.[15] These new actors include powerful ministries and some Party agencies, parts of the armed forces, paramilitary organisations, mega corporations, provincial governments, the state security apparatus, personal fiefdoms like the one run by Bo Xilai, and others. They don’t just influence policy development, they try to pull established policy their way and, particularly but not only in the case of the military and the paramilitary, sometimes succeed and sometimes don’t get pulled back into line. We have seen something of this in maritime disputes between China and its neighbours.

For us, the issue is primarily a relationship management challenge. We have to spread over a much wider foreign policy landscape, and be prepared for unexpected pressures and behaviour in foreign policy in a way we didn’t in the past. Internal political rivalries may accentuate this challenge, as well as the massive corruption which permeates the whole society. To quote Wen Jiabao on this, he said, against the background of allegations of massive enrichment of his own family and with some understatement, corruption ‘tends to occur frequently in departments that possess great power and in areas where the management of funds is centralized. Corruption cases involving State-owned enterprises and high-level officials are still serious.’[16] It would be unwise to think that these do not include departments, enterprises and officials Australia deals with in China.
This is not to suggest Chinese foreign policy is out of control. It operates within a framework of long-range assessments and strategies. But if we think of the way different interest groups seek to pull US foreign policy in different directions, that is very approximately how things are in China. And both in and surrounding these interest groups there are also very different ways of looking at China’s place in the world. David Shambaugh, in an article whose title ‘Coping with a Conflicted China’ encapsulates this challenge for all who deal with China, identifies seven distinct perspectives on China’s global identity, all the way from a closed and narrow ‘Nativism’ to an open-minded ‘Globalism’ which he equates to Liberal Institutionalism in the West.[17] For those who believe military misadventure is not possible, I’d suggest look again at the history of different US interests acting on US foreign relations, and think how it might be in China, and how it might be with two such sets of actors in play, one in America and one in China.

I don’t believe any of these new actors in China has an interest in acting militarily against Australia. They have no reason to, and I’ve seen no evidence any would want to. Cyber attacks, yes. Everyone is into that. But the use of armed force? Not unless we became involved with the Americans in some kind of US-China hostilities.

**Chinese Exceptionalism**

The other complexity comes from Chinese exceptionalism. This is not quite the same as the nationalism we have seen, for example, in China-Japan relations. Nationalism is a problem, and because of its ugly aggressive, emotional and xenophobic nature when it takes on mob form, it’s going to be a challenge if it’s allowed to run unchecked, perhaps and hopefully not directly for us, but certainly for some of our friends and neighbours, which may make it a problem for us too.

But Chinese exceptionalism, while it can be expressed in nationalistic outbursts, is somewhat different. It stems from a moral certitude which is global in perspective. It’s not like American exceptionalism; it doesn’t have god or the Enlightenment dream or saving the world for democracy. Not everyone in America shares the
exceptionalist idea, of course. And if you’ve spent a lot of time in China you will
know many Chinese who reject Chinese exceptionalist thinking. This thinking rests
on an interpretation and mythologising of Chinese history, projected into an
idealised virtuous China of the present. It’s also infused with the idea of one
hundred years of humiliation at the hands of foreigners. It’s not that that didn’t
happen. It certainly did. But it is played upon as though China alone in all the world
suffered so.

Some observers, like Henry Kissinger, have argued that unlike the American the
Chinese variety is ‘cultural’ and not proselytising. I’m not sure about that. I’ve seen a
bit of it in my time, but among ethnic Chinese communities outside China there are
many who’ve seen a lot more. But what Chinese exceptionalism and American do
have in common is that they each assume a virtuous or righteous position for
themselves exclusively in relation to other countries and social systems, a kind of
‘divine right’ in the lay sense in which that term is often used, which is theirs to
exercise but not for others. And both varieties are short on self-examination and
self-criticism.

Exceptionalism doesn’t drive everything in China’s foreign policy, but it does
influence foreign relations from time to time and it’s not new. In the 1970s, for
example, the Italian filmmaker Michelangelo Antonioni made a documentary film
about China which the Chinese denounced as anti-Chinese. When the ABC
announced it would show the film, a protest was lodged in Canberra with a demand
that the showing be cancelled. On the Australian side, we said this was a matter of
our right to freedom of speech and the media. The Chinese attitude was not just that
China objected to the film but that when China says so we actually don’t have that
right – in effect, the Chinese right extinguishes ours – and the attitude was self-
righteous and rude and somewhat bullying, I should add that later, after the
Smashing of the Gang of Four and the rise of Deng Xiaoping, I had a personal apology
from the Foreign Ministry over this issue. Which shows that the exceptionalist view
is not fixed, not everyone shares it, and the foreign affairs establishment
acknowledges that it can be damaging. Now admittedly 1973 was itself an exceptional time in China. But three and a-half decades later we had that incident with the Melbourne Film Festival, when a junior official from the Chinese Consulate General rang the Festival Director and demanded not only that the film be withdrawn but that the Director actually justify himself to her for programming it.

Some may say that is similar to what Australia does when it raises human rights in China. But I think not. The Chinese position was that its right should override any rights we had, in these cases China’s right being to direct how it is seen, presented and understood in Australia. That is not something Australia does in China.

Another example relates to foreign nationals of Chinese descent. China’s Nationality Law does not recognise dual nationality, and states that: ‘Any Chinese national who has settled abroad and who has been naturalized as a foreign national or has acquired foreign nationality of his own free will shall automatically lose Chinese nationality’. [18] So having a foreign nationality and passport ought to be definitive. But there are countless examples where Chinese exceptionalism simply asserts that an ethnic or even part ethnic Chinese with foreign nationality is, by appearance or ancestry or place of birth, ‘Chinese’. Hua 华, meaning ‘Chinese’, for example, is the character stamped by a Chinese border official in the Australian passport of the Australian-born son of one of my Caucasian Australian friends and his ethnic Chinese wife, despite his repeated statements, when asked, that he was Australian.

Mostly the treatment of foreign nationals as Chinese is below the radar and does not lead to dispute, which does not make it any more appropriate, but in quite a number of public cases it has been a cause of misunderstanding and friction in China’s foreign relations including ours.

The waters are muddied here by what I call the new compradores. These are ethnic Chinese of non-Chinese nationality employed by foreign businesses and others to work for them in China, often by people with no China skills that would enable them
to judge but who believe it when they are told by the compradore that he or she has a network that reaches the president, or at least the president’s personal doctor. When some of these people become deeply involved in playing the *guanxi* game, because of the nature of that game this inevitably involves them in domestic Chinese politics and sometimes in a way that transgresses against Chinese law or simply against what is regarded as appropriate for a foreign national. I still don’t think it’s acceptable that their foreign nationality should be disregarded, but you can see why some Chinese authorities might think ‘looks like a Chinese, behaves like a Chinese, is a Chinese’. There’s a way for Australian businesses and organisations to manage this, which is by having a strong code of ethical conduct explicitly in relation to working in China, and making sure that those they employ actually share its values. And for the government to have a serious dialogue with China about the issue.

The biggest challenge of Chinese exceptionalism Australia has faced to date was the bussing to Canberra of thousands of ethnic Chinese, mostly students from the People’s Republic, on instruction from Beijing, to try to prevent demonstrations over Tibet during the passage of the Olympic torch in 2008. The issue here is not the for and against on Tibet, but the fact that China believed it had the right in support of its view to mobilise ethnic Chinese to try to disrupt and interdict, in Australia, the exercise of an Australian democratic right to peaceful protest. That’s one part of the exceptionalism. The other is that China would not allow such an act on its own soil.

This action regrettably made the presence of the tens of thousands of Chinese students in Australia something of a two-edged sword. It cuts one way to the benefit of the students and Australia. But it left an unfortunate question mark over whether China might seek to cut it the other way and again seek to use ethnic Chinese here in this or other ways in some virtuous China cause. This is not to impugn the loyalty of Chinese Australians. And with the right kind of relationship, we can talk to China about it. But we must not again have a situation like that externally manufactured counter-demonstration in 2008. China of course has a right to its views, but not to
projection of these views in a way which infringes our rights in our country, and on this we must have a solid continuing understanding.

So there will be times when political trust will be tested by actions on the Chinese side, as it is now by actions on ours.

**Australia, the United States and China**

The decision to ‘pivot’ Australia into the re-invigorated US military alliance strategy in the Pacific was a decision about China, not just about America. It was developed in secret. It was not announced by the Australian government but by the US President in the Australian parliament. The government has not offered the public any strategic assessment of the benefits, effectiveness and risks of this decision, and has deflected questioning with arguments which slide away from the questions raised. It’s a decision about China because, even on the blandest interpretation, what is going on militarily with America in Asia and the Pacific is of great significance and is of the greatest possible interest to China, and we are involved in it. We don’t actually know the full extent of what may have been committed by Australia, although there is information available in Washington that suggests much more than the Australian government has given out, and in bits and pieces it has appeared in the Australian media,[19] but not on government websites. One indication of how far this commitment has run is the secondment of the Australian general, Richard Burr, as deputy commanding general of US Army Pacific, where he will be responsible amongst other things for dealing with America’s allies. The deputy. Perhaps that is why the Australian government made no announcement about it.

The Prime Minister didn’t think to go to Beijing before the Obama visit and talk to her counterpart. Not to seek approval but to inform, discuss, listen, and if possible reassure. Nor for that matter did she go to Indonesia, India, Japan, Korea or other Asian countries of importance to Australia, which speaks much for what we think about our priorities as between relations with the US and relations with the region.
For Australia to declare, as it has, that the new arrangement with the United States is not directed at China, when discussion and analysis in Washington and around the world clearly indicates that it is, and when you can’t see who else apart from North Korea such significant re-invigoration of the alliance could be against, can hardly inspire trust in the Australian government in Beijing.

There is now serious contest and rivalry across the Pacific between America and China. This is not good for Australia. It’s not our contest, the American national interest in this contest is not our national interest, and taking the US side is not necessary to our relations with the US. This is not to argue that we shouldn’t have a close relationship with the US, or that we should side with China, or ditch a client relationship with the US only to have one with China. We need a close relationship with both and a client relationship with neither. It’s to say we have absolutely no national interest in being a party to this contest, even if it doesn’t come to military hostilities and regardless of arguments about whether or not the US is in decline. Some have suggested, Malcolm Turnbull among them,[20] that Australia should pursue a hedging strategy with China, and that’s something we should discuss, so long as it means hedging both ways, for example on the fact that ANZUS does not commit the US to anything but an obligation to consult and is unlikely, ever, to engage the US in anything which is not a function of core US interests. But Australia is not hedging, it’s playing, on the American side. And I agree with Geoff Raby, when he said: ‘To execute a hedging strategy effectively and not create mutual suspicion and hostility, it is important to have a solid basis of trust between China and us. And that’, he said, ‘no longer exists.’

We see here the problem I spoke about at the beginning. There is no sense of a firm Australian strategic hold on this issue, from a specifically Australian national interest point of view. The decision to commit to the US military strategy has the appearance of a passive conceding of the Australian interest, an acquiescence in an American view of security in the Pacific. On the part of the Australian political leadership, at least. But not, perhaps, on the part of some in the strategic, military
and intelligence establishment in Canberra, who see their interests in enmeshment with their counterpart establishment in Washington, and their interest as equating to the Australian national interest. That is to say the least questionable, as former Defence Department Secretary Ric Smith suggested at the Australian Institute of International Affairs conference in August. Or former chief of the army Peter Leahy, who has written, in an article titled 'We must not get too close to the US', that Australia should maintain the ability to say no to the US and separate itself from its actions.[21]

It is not the national interest, and some of our assumptions underlying this approach to the US alliance do not reflect our national reality, geographically or demographically. Our region is long since not a white European domain. And we are not demographically an Anglo white country. I think Keating was right. We have to find our security in Asia, not from it. As another former chief of the army, John Sanderson, has said, Australia’s future lies in building a proper strategic relationship with its Asian neighbours: ‘This is where we live. And if there is anything about this relationship with the Americans that impairs our ability to build on that relationship then we should have a much deeper strategic debate.’[22]

What, then, about the next stage in relations with China? This is not about soothsaying, or declaring we’ll do more of this and that of what we’re doing already and calling it a strategy. It’s about thinking.

**Australian Identity and Values**

First, to develop a strategic view of China we have to revive that national conversation which John Howard declared buried in 2003, because to have a strategy that deals with a country we do not fully understand, which is undergoing great change domestically and effecting great change externally, we have to have a strong sense of what is important to us and what is non-negotiable. The 1990s debate about Asian values was derided by many in western countries but it was important because it revealed a lot about what people in Asian countries were
thinking, and it was good for us because it came at a time when we were discussing our own values in the context of becoming closely engaged with Asia. Reviving this conversation is going to be difficult in one respect because in the course of the politicians’ long-running argument about asylum seekers the major political parties have lost their moral compass and authority, and while they talk about values this is often empty and tainted by unfortunate compromise.

If Australia is a lucky country, one of the luckiest things is that it inherited the ideas of the European Enlightenment and developed its political and social system around them, and it’s the values of the Enlightenment we need to affirm, not the values of entitlement.

I think it is because we have not been having that conversation that we seem to equivocate on whether or not China can be regarded as a partner, in a broad sense, and whether or not we can or even want to take on the challenging task of developing political trust with a great power that is supposedly our friend, but non-democratic.

We also have to discuss whether, if we feel challenged by getting politically close to this country, this is only because it is non-democratic, or is it because of something else? Are we colour blind in this relationship, for example, or white Anglo? Not everyone in the Australian political class seems to have the same view on this.

So let’s not sideline discussion about values in our relations with China. My view is that we can have a close partnership and not just an economic one, and a close relationship of political trust. But you have to be tough, and have courage in your values, to deal with China, just as you ought to be tough, and have courage in independent views, to deal with the United States.

A China Strategy
Second, Australia has to have a China strategy, but it has to think about China itself before it can have a China strategy. And here we have to tackle that fundamental task of any credible strategy that we keep dancing around but never doing: looking in depth at the subject itself, before we come to any perspectives on it from our point of view. Remember the vacuity of the 2009 Defence White Paper on this score. We have to have a government-initiated in-depth assessment of China, in its political, social, economic, educational, scientific, environmental, civil society, military and many other dimensions, with long-range scenarios for its evolution. Not a once over lightly, but a project of possibly up to a year in duration, with strong intellectual leadership, engaging both government and non-government China experts and using government and open sources, and it has to be an Australian assessment not an American one. It appears the Asian Century White Paper, on which so much is now supposed to rest, did not think to commission such an assessment.

You can’t have credible hedging without alternative long-range scenarios, and you can’t have credible long-range scenarios without undertaking this kind of assessment.

Any realistic strategy necessarily has to be grounded also in an understanding of thinking on the other side, something we have not been good at. This is not just that we need a better understanding of what China wants from us. We certainly need that. But we also need to attend to Chinese opinion and intellectual debates, and how understanding their thinking will help us to develop our own strategic ideas. We have to understand reality on their side, otherwise our strategies will have no reality. In a recent article in the Australian Financial Review, a Chinese scholar and public intellectual, He Fan, described Australia as ‘a lonely country’. [23] It’s not a description that would have occurred to most Australians, but it’s not the first time I’ve heard it. [24] It would not be a bad starting-point to an understanding of Chinese attitudes to explore, his immediate explanation in that article, yes, but more the further reasons for that singular characterisation of Australia which to us seems so uncharacteristic.
And any realistic strategy must also address weaknesses, vulnerabilities and risks, on the Chinese side and on ours. The possible downside, to balance the kind of self-referencing upside represented in the Asian Century White Paper.

**A China Debate**

Third, we have to have a debate which engages government, and not just a contest of ideas outside government from which government is detached. And we have to have a strategic narrative from government, that can be debated before pre-emptive decisions are made, and not just have government pull a few things out of the Asian Century White Paper and say that’s what we’re going to do. The White Paper has no strategic narrative on China.

In this debate, it is essential also that we have a new engagement by China scholars. This is not a matter only for Sinologists who specialise in international affairs or defence or strategic studies. The public debates from the ‘60s to the ’90s were richly informed by academics from a variety of disciplines. What’s needed now is more than just winking Sinologists out of universities and into what Henry calls the real-world debate. We need our centres of Chinese Studies to be training more Sinologists who think strategically, think about Australia-China relations, think about China’s relations with the world, so that in future, institutions like the ONA or the Lowy Institute no longer lack a ready supply of China specialists with the mix of qualities and qualifications they require.

These three things should be in step, not sequential. But they will take time, and there are several measures which Australia needs to take now:

- One is for the government not only to secure that high-level political dialogue, but to buttress it with a much greater intensity of personal contact, and to begin now to secure its long term utility with greater breadth and depth of political engagement with the next generation of leaders;
• Two is for Australia to return to a policy of greater independence, and distance itself from US military strategies directed against China and from any policies of either China or the United States which promote rivalry, contest and military brinkmanship, using diplomatic means to urge them to find a stable long-term peaceful accommodation, ultimately and preferably within a multilateral regional context;

• Three, the government should make an unequivocal declaration that it will not be party to any strategy, policy or arrangement aimed at containment of China, and will remove Australia from any that is; and,

• Four, Australia should also use whatever diplomatic means it has, where appropriate in company with regional neighbours, to counsel and where necessary and possible pressure China against military confrontation with the US and military brinkmanship in disputed territorial waters

And finally, government ministers and spokespeople might try to listen to critiques of China policy, think about the ideas they are trying to get across, engage with them, and not meet them with dismissive response. If that seems too much of a stretch of the imagination, it’s nothing compared to the stretch they’ll require if we get it wrong with China. Which is definitely a possibility.

A Biographical Note on Stephen FitzGerald
Stephen FitzGerald began his professional career as a diplomat, studied Chinese and became a career China specialist. He was China adviser to Gough Whitlam, and Australia’s first ambassador to the People’s Republic of China, and in 1980 established the first private consultancy for Australians dealing with China, which he continues to run. Since the late 1960s, he has worked for policy reform in Australia’s relations with Asia, and for Asia Literacy for Australians. He chaired the 1980s committee of the Asian Studies Association of Australia on Asian Studies and Languages in Australian Education, and the government’s Asian Studies Council, which wrote a government strategy for the study of Asia in schools and universities. In the same year, he chaired the government’s Committee to Advise on Australia’s Immigration Policies, which wrote the landmark report, *Immigration. A Commitment to Australia*. He was head of the ANU’s Department of Far Eastern History and also of its Contemporary China Centre in the 1970s. In 1990, he founded and until 2005 chaired the UNSW’s Asia-Australia Institute, dedicated to making Australia part of the Asian region through think-tank activities and ideas-generation by regional
leaders meeting in informal discussion. He has been consultant to the Queensland and Northern Territory governments on the introduction of Asian languages to the school curriculum, consultant to Monash, Melbourne and Griffith universities on mainstreaming Asia in university studies, Chair of the Griffith Asia Institute, and Research Strategy Director of UTS’s China Research Centre. He has also been a consultant on governance-related aid in China and Southeast Asia, for the Federal and Northern Territory governments, and the governments of Britain, Denmark and others. He has published monographs, reports and articles on the above topics.

**Australian Centre on China in the World 中华全球研究中心**

The **Australian Centre on China in the World** (CIW, College of Asia & the Pacific (CAP), The Australian National University (ANU) is an initiative of the Commonwealth Government of Australia in collaboration with ANU, a university with the most significant concentration of dedicated Chinese Studies expertise and the publisher of the leading Chinese Studies journals in Australia. CIW is a national research centre that is jointly managed by a body of academics that includes scholars of China at universities in Adelaide, Brisbane, Hobart, Melbourne and Sydney.

The Centre is a humanities-led research institution that is engaged with the broad range of social sciences to produce academic work that, while relevant to the full spectrum of demands of international scholarship, also relates meaningfully to those in the public policy community, and to the broader interested public, both in Australia and overseas. It values a New Sinology, that is an intellectual, cultural and personal involvement with the Chinese world (be it in the People’s Republic, Hong Kong, Macau, Taiwan or globally) that is underpinned by traditions of academic independence, local fluency and disciplinary relevance.

**Notes:**

[2] Stephen FitzGerald, **The Coup that Laid the Fear of China**, The Whitlam Institute, September 2012. An extract of this speech was published as ‘**Whitlam’s China Masterstroke**, Review supplement, Australian Financial Review, 5 October 2012. For the full text, see the Australia-China Council ‘**40th Anniversary of Diplomatic Relations**’ site.
[5] See Transcript of Prime Minister John Howard’s Closing Address to the Liberal
[19] See for example Peter Hartcher, ‘PM had cold feet on US base plan’, Sydney Morning Herald, 5 November 2012, which gives a glimpse into the extensive discussions which preceded the decision, and concludes with the following:
Although both governments say the US presence has nothing to do with hedging against the possibility of an aggressive China, a US expert on Obama foreign policy, James Mann, writes in his book The Obamians: ‘The administration did not hide the fact that China’s growing assertiveness had prompted the new policy’ of the Asia pivot.
[20] The ANU Centre for China in the World maintains a comprehensive collection of the articles and speeches in this debate, including Malcolm Turnbull’s, in The Australia-China Story section of its website The China Story.
[21] Peter Leahy, We Must Not Get Too Close to the US’.
[22] See The Australian, 12 April 2012.
[24] When meeting with Richard Nixon’s daughter, Julie Nixon Eisenhower, and son-in-law, David Eisenhower, on 31 December 1975, Mao Zedong remarked that he didn’t want to travel to Australia because when looking at it on a map, it ‘made one feel so lonely’ 澳大利亚在地图上看看就怪让人寂寞.

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[16] China Daily, 12 September 2012
[19] See for example Peter Hartcher, ‘PM had cold feet on US base plan’, Sydney Morning Herald, 5 November 2012, which gives a glimpse into the extensive discussions which preceded the decision, and concludes with the following:
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