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# *China in transition*

an address to the Institute on 20 November 2012 by

**Mr Hamish McDonald**

Journalist and author<sup>1</sup>



*Hamish McDonald, who was attending an Australia-China '1.5 track' diplomatic dialogue in Beijing at the time China underwent decadal leadership change in November 2012, discusses what the new leadership regime may have in store for China and the Asia-Pacific Region. He also describes the irritants in the Australia-China relationship and what must be done to address them.*

**Key words:** China; leadership transition; 1.5 track diplomatic dialogue; Australia-China relations.

It is a great honour to be invited back here again. It is a happy coincidence that I was in Beijing only last week, so I can bring you a little bit of the colour associated with the leadership transition that occurred in China while I was there.

## **The 1.5 Track Diplomatic Dialogue**

I was in China as part of the Australian delegation to what is called a 1.5 track diplomatic dialogue<sup>2</sup>. This dialogue was started by Kevin Rudd last year when he was foreign minister to try to put a bit more warmth into the relationship with China and to open possible avenues to broaden that relationship.

To that end this year, the Australian side assembled ten people from officialdom, academia, business, the media and one or two other walks of life. The Chinese put together a counterpart group rather more heavily dominated by their foreign policy establishment – very heavy on retired ambassadors and people associated with the institutes under their Ministry of Foreign Affairs.

We met under the Chatham House Rule, with the aim of encouraging frank speaking and off-the-cuff suggestions and without anyone being held to account. This worked rather better with the Australian side. However, we all spoke more freely this time. The Chinese last year were very constrained and tended to deliver very polished, established policy presentations. This year they did open up more, but they still have a long way to go.

The actual day of dialogue, 15 November 2012, coincided with the announcement of the new Politburo standing committee of the Communist Party. We wondered why they had scheduled our talks on this day when China was transfixed by who the leaders for the next ten years were going to be. We also wondered whether there was an additional coincidence in that, also taking place concurrently, were the AUSMIN<sup>3</sup> talks

in Perth, with the American secretaries of state and defence talking to our foreign and defence ministers. So we wondered if we were being pawns in a bigger diplomatic game, but possibly it was just that the dates were set a long time back and the convergence of the big events occurred later when it was too late to change the date of our meeting.

Anyway, the result was that we started off the programme at 8.30 a.m. When the new Politburo standing committee was scheduled to walk into the Great Hall of the People, we broke off our talks and gathered in a smaller room with a TV set. It was a fascinating moment, almost like being invited to a family gathering when some important announcement was being made, like an engagement. It was quite an intimate moment for the Chinese, having us foreigners there while they learned who their leaders would be. Our delegation leader, Gareth Evans, the former foreign minister, said that the only comparison that came to him was when Bob Hawke held the inaugural APEC<sup>4</sup> meeting in Australia in November 1989, which happened to be on the first Tuesday in November. Precisely at 3 o'clock, he suspended proceedings, turned on the TV and made everyone watch the Melbourne Cup – much to the bemusement I am sure of many of the other member countries, except perhaps the Malaysians (they like a punt on the horses).

## **China's New Leadership**

### ***Political reform***

The line-up of the Politburo did not throw up any outsiders and the two top positions of party secretary-general and the premier-designate went to the people who had been long-groomed for those offices, *i.e.* Xi Jinping as the party chief and Li Keqiang as the premier-designate. So Mr Xi will be the chief of the Communist Party and will become the president of China next March at their parliamentary formalities and

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<sup>2</sup>A 1.5 track diplomatic dialogue is a semi-official dialogue. It is more official than a 2<sup>nd</sup> track dialogue.

<sup>3</sup>AUSMIN (Australia United States Ministerial) is the principal forum for bilateral consultations between Australia and the United States. It is held annually.

<sup>4</sup>APEC (Asia-Pacific Economic Co-operation) is the primary vehicle for promoting open trade and practical economic cooperation in the Asia-Pacific Region.

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