

Roundtable: the future of Australia-China relations

Opening remarks

Speaker: James Laurenceson, Director, Australia-China Relations Institute, University of Technology Sydney

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James Laurenceson:

It's a real great pleasure to be here today, and I do want to thank in particular Professor Zhang and Professor Li for the invitation for us to co-host this event. When Professor Zhang first got in touch about this event, she suggested an event to explain, to construct and to contribute to better relations for future concerns. And I just thought that was a fabulous idea, and it's really our pleasure, and I was delighted to be a co-host of this event. I've only got ten minutes, so I'm going to keep my comments very short and brief. And I've sort of got a couple reflections on the bilateral relationship beyond the headlines, and some other thoughts that are going through my head at the moment, about how we – many of us are academics – and how we can contribute to that; to explaining, to constructing and to contributing to better relations in the future. So that's my task. Let me share my screen and hopefully I will not have any technical dramas. I hope that is coming through on everyone's screen.

The headlines in both countries are not easy reading. There's a lot of black and white positions being taken on both sides. Sometimes, it seems as if the loudest voices rather than the calm or the more well-informed voices are the ones that are getting the attention. But when we look at those headlines, what we quickly realise is that they're fundamentally drawing attention to differences that Beijing and Canberra have, that is, the political differences between the two countries. Of course, a lot of the bilateral relationship occurs outside of that frame. Now I'm an economist, so forgive me for focusing on issues like trade. But it does stand out to me, and you can see from the data in front of you, that even during this time of bilateral political tension – and I'm not trying to dismiss that or minimise it, and I'm not trying to say it's not important – but the reality is even during that period, you have millions of Chinese and Australian consumers; thousands of Chinese and Australian businesses, getting on with the positive engagement that they both see as being in their mutual interest. And even this year, during COVID-19 and as the political tensions have worsened, I saw the other day that the total value of Australia's exports to China are actually only down by 1.3 percent on the same period last year. That's a remarkable outcome. And similarly, Chinese exports are at record highs as well.

We also shouldn't forget that areas of cooperation between Australia and China aren't just about iron ore being shipped to China and manufactured and high-tech goods being imported from China, we [should also] recognise that a lot of cooperation is happening outside of these traditional areas. So for example, we've produced some research that makes that point that now, more Australian scientific and research publications feature a Chinese co-author than an American one. So the scientific discovery ties are deep as well. As I

said before, I don't mean to suggest that everything's fine; it's not. There are real challenges, and both sides can point to decisions made in Beijing and made in Canberra that they disagree with. But at the same time as we're making that observation, let's not also lose sight of the reality: that a lot of cooperation continues at pace and continues to deliver benefits for both Australia and China. And that of course reflects some fundamental complementarities between Australia and China; some fundamental good-will that does not quickly diminish. My assessment is that most Chinese consumers remain positive about Australian goods and services, and similarly, you can read in Australian newspapers as well of plenty of Australians with ties to China; living in China, who are still very positive on that bilateral relationship. So the fundamentals: the complementarities, the purchasing power, all these things that economists point to as sustaining a vibrant trading relationship have not disappeared due to COVID-19 or due to political tensions. And I notice – I'm an economist, so naturally I talk about trade – but recently my colleague at the University of Western Sydney who is an expert in the literature and cultural space, she made the argument – Professor Jing Han – that exchanges in those areas are also continuing during this time. So political tensions are not the full story of the Australia-China relationship.

One thing that I am concerned about, and as I talk to my Chinese colleagues I often hear them voicing the same concerns. In fact, these articles on the screen, one of them was written by Dr Diane Hu who is one of our panelists this afternoon – and Professor Greg McCarthy – they both make the argument that yes, while these people-to-people ties and while these economic ties are resilient, it's not guaranteed that they won't be affected into the future. And there is a potential for public sentiment in China; in Australia, to become more negative and as that happens, it will become harder for both Beijing and for Canberra to manage those differences. So I think this is something we need to keep an eye on and be very cautious about. That would be a downward spiral that is best avoided.

Some final reflections from me about what is going through my head in terms of how academics like ourselves can contribute to an improved outlook: when Professor Zhang got in touch with me she talked about explaining, and I think she is absolutely right. It is very important that Australian and Chinese academics explain to each other and to our domestic colleagues the sources of these differences and tensions. And the point is not to blame anyone, the point is just to help both sides have a better understanding of where the other is coming from.

Another thing I think is necessary is that sometimes we do have to be a bit brave and draw attention to the very real costs that will be incurred in Australia and in China if bilateral tensions deteriorate further. These costs are not just economic costs, let me be very clear on that. In fact, I'm actually far more concerned about people-to-people ties being disrupted than I am simply about the profits being made by individual companies. And finally, during these testing times, let's make sure we stick up for our friends. I don't think it's any secret anymore but some colleagues on this webinar – Professor Chen Hong – who is a speaker I think on the second panel, this year had his Australian visa revoked along with one of his colleagues that I also am good friends with. And I think it's important that during these times, as questions are being asked of these people in Australia – questions are being asked whether they are a security threat – I think it's very important that people like myself come out very clearly and publicly, and make the argument that these people are not security threats, they are our friends and they are our colleagues. That is certainly the line I've been taking. And I hope in these small, modest initiatives that we can encourage our political leaders in Beijing and in Canberra as I argued in this piece in the China Daily to show some restraint, to show some wisdom and to have a view for the longer term, rather than just what's happening on the day to day and that will imply both sides striving for mutual trust. So Professor Xu, I will finish sharing my screen now. I think I have gone for 10 minutes and so I'll finish up there.

[ENDS]