

The 2014 Wellington Conference on Contemporary China

CHINA AT THE CROSSROADS: WHAT THE THIRD PLENUM MEANS FOR CHINA, NEW ZEALAND AND THE WORLD

On 2 July 2014 the New Zealand Contemporary China Research Centre will hold its latest annual Conference on Contemporary China. The conference will be held from 9 am to 4.45 pm in the Council Chamber of the Hunter Building, Kelburn campus, Victoria University of Wellington. The subject of the conference will be the Communist Party of China's November 2013 Third Plenum, widely heralded within China as a major turning point in China's reforms, and the Third Plenum's implications for China, New Zealand and the world.

The specialists speaking at the Conference are of a seniority and skill rarely seen in New Zealand before in a single China-related meeting. They will bring their outstanding expertise to bear on a range of decisions made at the Third Plenum and subsequent policy developments. Three panels will consider aspects of governance and society, economics and finance, and the impact of China's new reforms on New Zealand and the region. The Conference will be essential for all those – in business, academia, government, and media – concerned with the rapidly evolving dynamics of reform in China today and their effect on New Zealand.

This note provides some background to the Conference and a draft conference timetable with the names of the principal speakers. These are:

- **Professor David Shambaugh** from George Washington University, Washington DC, an internationally acclaimed commentator on contemporary China;
- **Professor Zhai Kun**, Director of the Institute of World Political Studies at China Institutes for Contemporary International Relations, China's leading think tank on international affairs;
- **Professor Cai Fang**, Director of the Institute of Demography and Labor Economics at CASS (China Academy of Social Sciences) and one of China's best-known economists;

- **Professor Kerry Brown**, head of the China Centre at the University of Sydney and a widely-praised writer on contemporary Chinese politics and society;
- **Professor Christine Wong**, a respected economist and former professor of Chinese at the University of Oxford, now head of the China Centre at the University of Melbourne;
- **Professor Jonathan Unger**, the widely-admired director of the Contemporary China Centre at the ANU and current co-editor of the *China Journal*;
- **Professor Anita Chan**, a leading scholar on labour issues, co-editor of the *China Journal*, and a professor at the China Centre at the University of Technology, Sydney;
- **Professor Ligang Song**, a respected specialist on the Chinese economy now at the ANU;
- **Dr Li-Gang Liu** and **Mr Cameron Bagrie**, Chief Economists for Greater China and New Zealand respectively at ANZ Bank;
- **Dr Marc Lanteigne**, Director of Research at the New Zealand Contemporary China Research Centre, and author of a widely used book on Chinese foreign policy;
- **Dr Stephen Noakes**, Lecturer in Politics and International Relations at the University of Auckland.

In November 2013 the Communist Party of China held the third full or plenary session of its current Central Committee (the Committee elected at the Party's eighteenth National Congress in 2012). This Third Plenum has been heralded in China as one of the most critical junctures of national policy-making since the beginning of China's reforms. It has frequently been compared to the famous Third Plenum held in December 1978, which marked the end of the Maoist era, confirmed Deng Xiaoping as China's paramount leader, and marked the beginning of the far-reaching reform process that has since transformed China both domestically and internationally.

The question frequently asked about the 2013 Third Plenum is: does it really compare to the plenum held twenty-five years earlier? Does it really presage a new and more comprehensive phase of China's reform process, one that will enable China to overcome the many economic, financial and social difficulties it now faces, and take it to the point where it is an advanced economy and a leading regional and world power? Chinese commentators have emphasised the fact that the 'Decision on Major Issues Concerning Comprehensively Deepening Reform' that was taken by the Third Plenum represents a turning point in Chinese policy planning. The Decision, they point out, places unprecedented emphasis on the 'decisive' role of the market in Chinese economy, and paves the way for a government that will ultimately confine itself to macroeconomic and

market regulation, public services, social administration and environmental protection.

But are the Decision's statements of intent supported by sufficiently strong and far-reaching policy reforms in such vital fields as state-owned enterprises, capital markets, investment and consumption, local and corporate debt, social security, labour mobility, land rights, natural resources and the environment? Has the plenum really addressed critically important reform issues in a sufficiently farsighted and concrete manner?

Either way, what are the consequences of Third Plenum policies for China's expanding relations with New Zealand and other countries of the Asia-Pacific region – relations in which Chinese trade and investment play an increasingly essential role, and Chinese political and social influence are of growing significance as well? And what does the Third Plenum and its aftermath tell us about the power of the new leadership in China, and in particular about the authority, policies and intentions of President Xi Jinping, whom some see as already more powerful than his immediate predecessors?

China's growth over the past three decades, and particularly in the past ten years or so, has presented New Zealand and other countries in the Asia-Pacific region with extraordinary new opportunities in terms of trade, investment and people flows. But it has also posed important questions about how China's burgeoning influence is to be best managed. Much depends on the course of China's own economic, political and social development from this point on, and much of that will depend on decisions taken by the current Party leadership. This is why a fuller understanding of the policies adopted – and also the policies not adopted – at the 2013 Third Plenum is vital for anyone engaging with China and the Chinese today.

CONFERENCE SCHEDULE

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| 8.30 – 9.00 | Registration, coffee |
| 9.00 – 9.10 | Introductory remarks by Mr Tony Browne , Executive Chair, New Zealand Contemporary China Research Centre, and Professor Neil Quigley , Deputy Vice Chancellor (Research), Victoria University of Wellington |
| 9.10 – 9.30 | Opening speech by The Hon. Tim Groser , MP, Minister of Trade |
| 9.30 – 10.10 | Keynote speech: 'China at the crossroads: the Third Plenum and China's reform challenges'
Professor David Shambaugh , Professor of Political Science and International Affairs and founding Director of the China Policy Program at the Elliott School of International Affairs, George Washington University, Washington DC |
| 10.10 – 10.30 | Coffee break |
| 10.30 – 12.15 | Panel 1, on governance and society, chaired by Professor Anne-Marie Brady , School of Social and Political Sciences, University of Canterbury |
| | <p>(1) Professor Kerry Brown, Professor of Chinese Politics and Director of the China Studies Centre at the University of Sydney; Associate Fellow at Chatham House London. 'The moral basis of Party rule under Xi Jinping, and the Party's search for a system of ethics in the 21st century'.</p> <p>(2) Professor Jonathan Unger, Director of the Contemporary China Centre at the ANU (Australian National University) and co-editor of <i>China Journal</i>. 'The Third Plenum and rural property rights: significant decisions in the right direction'.</p> <p>(3) Professor Anita Chan, Professor in the China Research Centre at the University of Technology, Sydney, and co-editor of <i>China Journal</i>; Visiting Fellow at the Contemporary China Centre, ANU. 'The Chinese Trade Union Federation at the Crossroads – relaxing control over labour or risking labour instability'.</p> <p>(4) Dr Stephen Noakes, Lecturer in Politics and International Relations at the University of Auckland. 'Civil society and social welfare after the Third Plenum'.</p> |
| 12.15 – 1.00 | Lunch break |

1.00 – 1.15	Speech by The Hon. Phil Goff , MP, Labour Party Spokesperson on Trade
1.15 – 2.45	<p>Panel 2, on economic and financial affairs, chaired by Professor Xiaoming Huang, Professor of International Relations, Victoria University of Wellington</p> <p>(1) Professor Cai Fang, Director of the Institute of Population and Labor Economics, CASS (Chinese Academy of Social Sciences). 'Demographic dividend to reform dividend: <i>hukou</i> [household registration] reform & its impact on economic growth in China'.</p> <p>(2) Professor Christine Wong, Director of the Centre for Contemporary Chinese Studies, earlier Professor and Director of Chinese Studies at the University of Oxford. 'Public financial management in China: fiscal decentralization and the challenge of containing local government debt'.</p> <p>(3) Professor Song Ligang, Director of the China Economy Programme at the ANU. 'China's resource demand, the environment and enterprise system reform'.</p>
2.45 – 3.00	Tea break
3.00 – 4.30	<p>Panel 3 on international & regional implications, including for New Zealand, chaired by Professor Robert Ayson, Professor of Strategic Studies, Victoria University of Wellington</p> <p>(1) Professor Zhai Kun, Director of the Institute of World Political Studies at CICIR (China Institutes of Contemporary International Relations). 'Chinese foreign policy in the light of the Third Plenum, with special reference to New Zealand'.</p> <p>(2) Dr Li-gang Liu, Chief Economist, Greater China, ANZ. 'The impact of the Third Plenum and other recent policy initiatives on the Asia-Pacific region'.</p> <p>(3) Mr Cameron Bagrie, Chief Economist, New Zealand, ANZ. 'The impact of the Third Plenum and other recent policy initiatives on New Zealand'.</p> <p>(4) Dr Marc Lanteigne, Senior Lecturer in International Relations and Director of Research in the New Zealand Contemporary China Research Centre at Victoria University of Wellington. 'Sino-American rivalries after the Plenum: New Zealand and regional responses'.</p> <p>Followed by questions and answers</p>
4.30 – 4.45	Summing up and concluding remarks by Mr John McKinnon , Executive Director, Asia New Zealand Foundation, and Mr Peter Harris , Acting Director, New Zealand Contemporary China Research Centre

Panel 1 will consider key domestic policy reforms addressed by the Third Plenum in the political and social spheres, including the role of the Communist Party, rural land rights, labour and internal migration, and social conditions.

Panel 2 will consider key domestic policy reforms with respect to economic and financial affairs, including macroeconomic and financial reforms, and policies relating to the banking sector and debt, state owned enterprises, natural resource demand and the environment, and urbanization and household registration.

Panel 3 will consider the implications of Plenum decisions for China's relations with New Zealand as well as with the Asia Pacific region and the world. One focus will be how policy reforms are likely to affect trade, investment and people flows, including those involving New Zealand; another will be likely trends in Chinese foreign policy including military and strategic affairs.

Each Panel will involve speakers presenting papers or speaking from notes. Speeches and papers will be published on the Centre website, and subsequently in book form.

Peter Harris
Acting Director
New Zealand Contemporary
China Research Centre
Victoria University of
Wellington
23 June 2014
Peter.Harris@vuw.ac.nz