



LUNCH WITH GEOFF RABY

Living with the dragon

An economist turned diplomat says friends are hard to make in China, writes **Deborah Snow**.

G Geoff Raby is rather nonchalantly predicting that investors from China will one day “probably own all the property around Sydney Harbour”.

Not that Sydneysiders should be too worried about that, he adds, because “Australians will be richer and therefore happier as a result”. It takes a moment to digest this startling prediction, made over lunch at Beppi’s, the Italian eatery in East Sydney.

Yet Raby’s prognostications on China carry more weight than most.

The genial and urbane 60-year-old was deputy head of the Foreign Affairs Department before becoming Australia’s ambassador in Beijing in 2007, serving in the post until 2011.

Since leaving government service he’s made a life in the Chinese capital, forging a career as consultant and Mr Fix-it for Australian businesses seeking to understand the giant to our north. Earlier this month he had the entire board of Wesfarmers up there, and together with Fortescue chief Andrew Forrest he’s set up regular business summits between the two countries.

Business in China, he says, is “not about the black letter of the law, or the contract you think you have signed. It’s about trust and relationships, and that takes a very, very long time to build”.

Raby insists that given the “complementarity” of the Australian and Chinese economies “no country will ever be more important [to Australia] than China”. And this will be the case “forever, unless China implodes”.

Yet he also concedes that it’s “the most complex country we have to deal with, because no major economy in the world has stood so far apart from the global norms of social and political organisation as China does today”.

Even with his close knowledge of the ruling clique’s arcane power structures, he’s scratching his head over the deep agendas behind Beijing’s recent outbreak of bellicosity towards maritime neighbours.

For an ex-diplomat, he’s remarkably frank about life in the dragon’s embrace. On a personal level, he finds the country intellectually fascinating but wearies sometimes of the traffic, the pollution, and demands of “the relationship-based society”.

Life in China, he says, requires “endless networking, and an endless effort into making friends. Not even friends, exactly, but making relationships. Because no one really is your friend. I’m very comfortable, obviously, with my Chinese partner [Shirley, a former newsreader for an English language TV service in China]. But beyond our

relationship, and a few of my artist friends, I doubt I’ve got a friend in China who would lift a finger if I was in need. That’s to say nothing bad about China; it’s just that the core of Chinese society is the family.”

Raby claims to be a “hopeless” linguist who’s also weak in numbers – a China expert not much good in Chinese, and an economist who was never much good at maths. “I’m a complete fraud,” he laughs.

Over entrees of asparagus, and bocconcini salad, followed by lemon sole (for him) and Patagonian toothfish (for me) he admits his youthful ambitions never extended to going to university.

Raby and his older brother grew up in Ivanhoe, where his father, Max, returned from the war to a job in Melbourne’s iconic clothing store Leviathan. Raby snr worked his way up to become managing director while mother Beryl was a homemaker who later sold shoes in Myer. Neither had academic ambitions for him, believing he should start work straight after school.

Raby originally attended Waterdale state school where, he jokes, “[some people later] ended up in Pentridge jail”, and he then went on to “oppressive” Ivanhoe Grammar, which he loathed. His real interests were “girls and surfing”.

Despite this he “fluked” a pass in his final year, and wound up at the Caulfield Institute of Technology where he stumbled across the discipline of economics. “I realised that studying economics was a way of understanding society, and how the world works, and that’s really how it all began.”

Finding himself with outstanding academic results for the first time, he transferred to an economics degree at La Trobe University. There he was “surrounded by people for whom studying was an absolute privilege”, many of them older students and women who’d been able to start courses because of the Whitlam government’s abolition of university fees. That experience, he says, was “life-changing”.

He horrified his family by joining the opposition to the Vietnam War, resulting in “huge arguments”. Raby’s father had fought in the Middle East with the Rats of Tobruk, an uncle had battled the Japanese in New Guinea, his paternal grandfather had been at Gallipoli and his maternal grandfather had been gassed on the Somme. It was inconceivable to his parents that “a young Australian male would not want to go and fight”.

Midway through his degree, he left on a year-long odyssey, backpacking through western and eastern Europe

LIFE AND TIMES

- ▶ **Born:** Melbourne, September 1953
- ▶ **Educated:** Waterdale Primary, Ivanhoe Grammar, La Trobe University (economics honours, master’s and PhD)
- ▶ **Early 1980s** – senior tutor in economics
- ▶ **1984** – Office of National Assessments, China analyst
- ▶ **1986** – first of three postings to Australian embassy, Beijing
- ▶ **1993-95** – head of Trade Policy, OECD, Paris
- ▶ **1998-2001** – Australian ambassador, Geneva
- ▶ **2007-11** – Australian ambassador to Beijing
- ▶ **Late 2011** – sets up Geoff Raby and Associates, Beijing
- ▶ **2014** – Business posts include Fortescue Mining group board and vice-chairman, Macquarie Group China

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and winding up pickling olives at a communist-run collective in Portugal.

It was heady stuff for a boy from the Australian suburbs, and he felt he was beginning to understand how the world worked. He returned to Australia determined to become an academic, progressing through honours and then masters degrees under his mentor, Professor Eric Jones.

He’d also formed the romantic ambition of doing a PhD at the London School of Economics, and returned to Britain for six months, washing dishes, before realising it was a plan he couldn’t afford. (He later finished the PhD, on Australian agrarian history, while working as a diplomat.)

On returning to La Trobe for a second time he was “on the way to a respectable academic career, but very dissatisfied” when a colleague – Ian Watt, now head of the Prime Minister’s Department – mentioned a job going in Canberra at the Office of National Assessments, one of the nation’s intelligence agencies. Raby applied for a job as an Indonesian analyst, but eventually got a call offering him the China analyst’s job instead.

Did he have any China experience in his background at that point?

“Nothing at all,” he says. “But in those days [1984] we had no economist who had studied the Chinese economy. It was a case of the one-eyed man in the land of the blind being king.”

At ONA, reams of information would pour in daily from the CIA’s Foreign Broadcast Information Service, an open-source translation service. “I had to make it fit into 1½ pages each day, with an eight-line summary.”

His snappy briefs caught the eye of

then prime minister Bob Hawke and Hawke economic adviser Ross Garnaut. When Garnaut was appointed ambassador to Beijing 20 months later, he asked Raby to join him. “It was the gift of a lifetime,” Raby says.

He arrived in Beijing in 1986 with then-wife Henriette, a Dutch woman he’d met while travelling around Europe, and for a year they lived in a single hotel room where she fell pregnant with Raby’s only child, Helena, now 27. (The couple split up when Helena was two and she grew up in Europe, but father and daughter are close, he says.)

He also ran into a young Kevin Rudd at the embassy, recalling him as a good but “extremely ambitious” colleague.

For the next three years he was posted between Beijing and Canberra before being caught up in the drama of the bloody crackdown by the Chinese authorities on student protesters in Tiananmen Square in 1989.

Recalled to Canberra, it became Raby’s job to draft the cabinet submission on how Australia should respond. Washington wanted Canberra to impose heavy sanctions – a course Hawke was leaning towards – but foreign minister Gareth Evans argued successfully for a more calibrated response. Washington, according to Raby, was “very unhappy that we hadn’t aligned ourselves closer to them. But Gareth was right. We had different interests to pursue. In those days we still took positions that reflected our national interest rather more closely than the US’ national interest.”

It’s something he believes has altered for the worse in Canberra’s foreign policy.

Raby’s long diplomatic career also spanned periods as a top trade official, for the OECD in Paris and, later, for Australia as ambassador in Geneva. But it’s China that has become his life’s work. Politicians, he says, need to do more to convince ordinary Australians of the importance of the relationship. “Don’t accept that all of our relationships are equal. They are not... We should be putting disproportionate time, attention and effort into this. It’s not about whether you like China or not. It’s what is nakedly in our interests – and what we have to do.”