

# NZ contact may help Chinese human rights, says academic

by Patrick Creadson

New Zealand is ideally placed to influence China on human rights and political reform issues, says a Chinese political scientist.

Visiting AUT last month, Professor Joseph Yu-shek Cheng of Hong Kong's City University said New Zealand, Australia, Canada and the Scandinavian countries could enter diplomatic dialogue with China because they did not have covert strategic designs on the country.

China is not democratic, but New Zealand should engage in trade with it and encourage change by a "quiet demonstration effect", Cheng said.

For Green Party trade spokesperson Rod Donald, such an approach is anathema.

Donald has called for the Labour Government to halt free trade negotiations with China unless the Chinese authorities make radical political changes.

"The New Zealand Government should not be considering a free trade agreement with China unless it — at the very least — adopts International Labour Organisation standards, environmental standards and basic human rights," said Donald.

Trade Negotiations Minister Jim Sutton disagrees with Donald's assessment.

He said the Government had always conveyed its views on social and political issues to China, and that a trade boycott was not a sensible option.

New Zealand suspended high-level diplomatic contact with China after the Tiananmen Square massacre in 1989, but the official relationship has since recovered.

In 2001, New Zealand became



TIANANMEN SQUARE 1989: New Zealand stopped diplomatic contact with China following the crisis.

the first country to support China's accession to the World Trade Federation — a move that won significant goodwill in Beijing.

Professor Cheng came to Auckland to deliver a series of seminars on Asian political, economic and security issues.

He said Chinese authorities thought the US had a vested interest in keeping China weak, but that New Zealand could exert influence because it was neutral.

"How can you believe that New Zealand, Denmark, Norway, Australia have a strategic design on China or are trying to subvert China or are trying to bring about peaceful evolution in China?"

"Whereas with the United States they can easily think, 'Oh,

there's a conspiracy theory, they want to change China, bring in the Western ways.'

Cheng understands the local scene, having finished his BA (Hons) in politics at Wellington's Victoria University in the early 1970s before completing a PhD in Australia.

He said New Zealand could potentially influence China in areas such as human rights and the importance of an independent judiciary.

China is New Zealand's fourth largest trading partner, behind Australia, the US and China, with annual trade totalling over \$4.2 billion.

Efforts by the Government to pursue a free trade deal — which they say would particularly benefit agricultural exporters — have been sharply criticised by

opponents, such as the Green Party.

A free trade deal would be effectively "endorsing the abuse" of the Chinese people, said Donald.

The Greens have accused China of suppressing political and religious freedom, running forced labour camps, and allowing "sweatshop conditions" in factories.

New Zealand should be exerting its influence to promote democracy, eliminate child labour and prison labour, and address human rights abuses, especially in the disputed region of Tibet, Donald said.

But Sutton said turning down a trade deal would not be an effective way to influence China. Instead, New Zealand could sometimes lead by example.

"New Zealand has always been an advocate for developed Western countries engaging with China on the basis of mutual respect, and co-operation," he said.

"New Zealand is a small country which cannot coerce large countries."

A joint feasibility study on a free trade deal is due to be released in November. Negotiations are likely to start early next year.

Prospects for the groundbreaking deal were greatly assisted by New Zealand's decision in March to formally recognise China's "market economy" status.

Cheng said New Zealand's recognition was "very important" to China because it was a developed country and a member of the OECD.

But while China had embraced the principles of a market economy, it had not yet become one, Cheng said.

China was in a transition phase and was taking steps such as dismantling the state sector so it could become a genuine market economy.

Economically, Chinese authorities were also interested in New Zealand's agricultural policies, food safety standards, and social security system, he said.

"How can you produce high-quality, high-value-added agricultural products, export to the world and enable New Zealanders to maintain such high living standards?"

"How can you organise small family farmers to export and promote your agricultural products overseas competently and effectively?"

"These are certainly some of the things that China can learn."

## Chinese bureaucracy poses challenges for free trade deal

by Sharon Marris

Tariffs are not the only obstacles New Zealand traders would like to resolve in any free trade agreement with China.

Negotiations for the agreement are due to begin early next year and Jonathan Watt, Trade New Zealand's market services manager for North Asia, says Chinese bureaucracy will also be a consideration.

"It's such a big country that often regulations that are set in Beijing are interpreted differently in different provinces," he says.

Watt prefers to see this as a challenge not an obstacle.

"It's a matter of a country with a lot of different branches of government that have different behaviours or understandings of the rules which are sometimes complex and require a lot of effort to stay on top of and help them work through," he says.

A free trade agreement with China would open up the rapidly expanding Chinese market to New Zealand and also promote New Zealand as a major player

in the trade world.

China will not negotiate with countries like the US who have refused to accept China as a market economy.

"China is certainly an economy in transition to a market economy," says Richard Duncan, of Asia 2000 Foundation, who visited the country with the NZ Film Festival earlier this year.

"Even driving through Beijing, there are these big shopping malls with designer labels."

He admits the transition is uneven.

"A lot of the coastal areas have a strong market dynamic there but it's more the rural areas that haven't quite made the transition. My impression is it's very much like a market economy."

While industries such as dairy or agricultural will benefit greatly if an agreement is reached, other sectors are not so positive.

New Zealand clothing and footwear businesses are worried an agreement will ruin their recent recovery from tariff cuts in the 1980s.

"All that work could be put at risk if this agreement is a complete free trade agreement," says Robert Reid, of the clothing workers' union, quoted in the July issue of *Bright*.

"That issue needs to be explored," Duncan says. "But that's a very small segment of our economy whereas primary industries are the bulk of our exports and they would benefit by having access to the Chinese market."

The New Zealand film industry may also benefit from a free trade agreement. China now has a quota allowing only 20 foreign films to be shown commercially in the country each year.

Duncan says incorporating film into an agreement could allow New Zealand films to be exempt from this similar to Hong Kong.

"Now if you make a Hong Kong film it doesn't have to get in the quota — it's counted as a Chinese production. So that's a similar type of scenario that would be great for NZ."

Watt says the agreement would not just be limited to get-



EXPORT CONTAINERS: Chinese market attractive.

ting NZ films into China.

"It's also about being seen as a location for film work; explaining to the Chinese that New Zealand is an option for location shooting and post-production work, that we have state-of-the-art technology and expertise in this area."

Watt is excited about the prospects for expansion into a country that is the world's fastest growing economy and New Zealand's fourth largest trading partner.

"People haven't really started looking at China because they've been busy doing things elsewhere in other markets," he says.

"China has been seen as too hard — a difficult country and language, so people have gone where it's easier to make money."

"Now they have started to realise that they've experienced elsewhere and it's time to experience new markets. China is one of those markets — and one you can't easily ignore."