

# **Annual Report**

2014

November 2014

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2014 is the sixth year of the New Zealand Contemporary China Research Centre. In these six years, China has become even more strategically important to New Zealand's future prosperity and the need for informed debate, New Zealand focussed research and policy studies on China has increased substantially.

Responding to these trends the New Zealand Contemporary China Research Centre has focussed its activities on engaging the policy and business community by bringing to New Zealand internationally recognised experts on China and providing a public forum for debate, information sharing and capacity building.

We are delighted to welcome Lincoln University as the Centre's seventh Member University.

The Centre acknowledges the work of its founding Director, Professor Xiaoming Huang, in building up this capacity and setting the strategic focus of the Centre. As Professor Huang completed his five-year tenure as Director at the end of the 2013 year, the 2014 year has been one of transition.

The Centre also expresses its thanks and appreciation to Mr Peter Harris for the role he played in drawing up the 2014 annual Wellington Conference, bringing an outstanding group of speakers to Wellington, and for providing leadership and direction as the Centre

consolidates its research, activities and resources for its incoming Director to lead.

We are pleased to announce the appointment of Professor Bo Zhiyue as Director from late January 2015 and look forward to the new vitality and direction he will bring to the Centre's activities.

Future activities at the Centre will build on the existing programme of conferences, roundtables, seminars and publications with the possible addition of public sector training courses, a potential Visiting Chair and more co-hosting of events with academic institutions in New Zealand, Australia, the Pacific and China. The Centre and Victoria University of Wellington, the Centre's host university, are grateful for the support they continue to receive from the Centre's five other University Members.

The growing significance of China in the region and for New Zealand in particular, the rapid economic, social and institutional changes occurring in China and the growing recognition in New Zealand that China knowledge is a significant requirement for New Zealand trade and foreign policy today and in the coming decades, ensures the New Zealand Contemporary China Research Centre remains as relevant today as when it was established in 2009.

## 1. 2014 in review

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The New Zealand Contemporary China Research Centre has continued to play a leading role in research, dissemination and public discussion on China with a distinct focus on issues and opportunities relevant to a New Zealand audience. This has been achieved through the annual Wellington conference, Centre publications, public lectures, roundtables, fellowships and visitors, a seminar series and a new public sector China awareness course.

### 1. The Wellington Conference on Contemporary China 2014

This year's Wellington Conference on Contemporary China attracted a full house in the Hunter Council Chamber at Victoria University of Wellington. The conference theme was 'China at the Crossroads: What the Third Plenum means for China, New Zealand and the World'. Peter Harris, Acting Director of the Centre for much of 2014, was the chief convenor of the conference committee that organised the event.

The conference was opened by Hon Tim Groser who spoke on 'Trading up or Creating Dependency'. This was followed by the keynote speech, 'China at the Crossroads', from Professor David Shambaugh. Hon Phil Goff spoke after lunch on New Zealand-China relations. The conference panels covered the following topics:

Panel 1 considered 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 international migration, and social conditions.

Panel 2 considered 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 considered the implications of Plenum decisions for China's relations with New Zealand as well as with the Asia Pacific region and the world. There was a focus on how policy reforms will likely affect trade, investment and people flows, including those involving New Zealand; another was the likely trends in Chinese foreign policy including military and strategic affairs.

The high calibre of the invited international speakers created an intellectually stimulating day that covered many of the most pressing issues in Chinese economic, social and political reform and teased out how the Third Plenum Decision addresses these and the implications of this for New Zealand and the region.

Speakers at the Conference contributed to other activities during their time in New Zealand. Many gave guest lectures and interviews with Government agencies, the media and NGOs in Wellington. For example, David Shambaugh spoke at MFAT, Defence, ASIA New Zealand and on National Radio. Professor Cai Fang met with

Treasury Officials and the Hon Tim Groser. Ligang Song met with officials at the Reserve Bank of New Zealand. David Shambaugh and Zhai Kun gave separate lectures at the New Zealand Asia Institute at the University of Auckland.

The Conference was fully funded by contributions from New Zealand Government agencies, private sector business, and ticket sales.

## 2. Publications

Following the Wellington Conference on Contemporary China, the speeches and papers presented at the Conference were edited and compiled into a manuscript that has been published by Victoria University Press. The publication of ***'China at the Crossroads: What the Third Plenum Means for China, New Zealand and the World'*** significantly raises the profile of the Centre and provides us with material to engage with other international research centres on China.

Collecting together such a high calibre selection of commentary on the Third Plenum is a significant achievement for the Centre and for the Acting Director and editor of the book, Peter Harris. In particular, the book includes contributions from leading authorities in the US (David Shambaugh), in Australia (Jonathan Unger, Anita Chan, Christine Wong, Kerry Brown, Ligang Song), in China (Cai Fang, Zhai Kun) as well as leading economic commentators from the ANZ (Li-Gang Liu, Cameron Bagrie) and the New Zealand Government (Hon Tim Groser, Hon Phil Goff, John McKinnon).

The Centre has also continued to publish occasional China Research Papers and China Working Papers. Working Papers are generally short essays on creative new research projects. Research Papers are more developed essays that attract more editorial scrutiny. In 2014, the Centre published two Working Papers and a Research Paper.

The first Working Paper was authored by Yu Changsen (National Center for Oceania Studies, Sun Yatsen University, China) and explored 'China's Economic Relations with Pacific Island Countries'. This important topic is of considerable interest in New Zealand and helped build scholarly links with China's preeminent research institute on Oceania. The second working paper was authored by Dongkun Li, a Visiting Fellow at the Centre. Her paper explored the role of the state in the development of Chinese overseas direct investment.

The Centre also published a China Research Paper by Ruiping Ye, a PhD candidate in the School of Law at Victoria University. This paper explored the nature of land rights in imperial China and the evolution of the land system in Taiwan.

A number of opinion pieces have been published by academics at the Centre, including pieces by Acting Director Peter Harris in the Dominion Post. Staff at the Centre have provided contributions to media reporting in both New Zealand and China.

### 3. Public lectures

The Centre hosted or co-hosted three public lectures in 2014.

**Chen Xiwen** presented at Parliament on 'The Development and Challenge of China's Agriculture'. Chen is a member of the NPC, CPPCC and Deputy Director of the Economic Committee of the CPPCC. He has considerable experience in rural policymaking and researching China's rural economy.

**Madame Hu Xiaolian** presented at the Victoria Business School on 'RMB – A Future International Currency?'. Madame Hu is one of six deputy Governors of the People's Bank of China (PBOC), and has particular responsibility for monetary policy.

**HE Ambassador Wang Lutong** presented his first public lecture in New Zealand as Ambassador on 'New Zealand and China: Looking ahead, what China's comprehensive reform means for New Zealand'.

### 4. Roundtables

The Centre hosted two roundtables with visiting Chinese institutions, New Zealand academics and policymakers.

Three academics from the Institute of World Economics and Politics at the Chinese Academy of Social Sciences in Beijing participated in a roundtable with staff at the Centre, academics and policymakers. The subject of the roundtable was 'China's Economy in the Context of Globalization and Regional Integration'. The roundtable provided opportunity for discussion of views on the process of regional integration, both at the state-to-state level and in terms of value chains in Asia, as well as a more general analysis of China's economic development and structural transformation in the post 2013 Plenum environment.

Three academics, including Professor Wu Xinbo, Executive Dean of the Institute of International Studies, from Fudan University, Associate Professor Qi Huaigao and Zhao Yuguang, Deputy Director of the Department of Policy Planning, Ministry of Foreign Affairs, participated in a roundtable that provided an opportunity for New Zealand and Chinese scholars to exchange views on a number of issues prior to President Xi Jinping's planned November visit. Subjects of discussion included New Zealand views and evaluations of Chinese policy in the region; potential areas of New Zealand-China cooperation; as well as potential challenges in the region; China's role in regional institutions; China in the South Pacific; regional security and economic integration; the further development of New Zealand-China relations.

### 5. Fellowships and Visitors

A delegation headed by Professor Sheng Guoming, executive president of Shanghai Social Sciences Association (SSSA), visited the Centre in September to discuss potential cooperation opportunities between SSSA and the China Centre.

Prof. Sheng introduced Shanghai's socio-economic development, especially the newly established Shanghai Pilot Free Trade Zone and its implications to China's deepening economic reform.

Dongkun Li, Southwestern University of Finance and Economics, was a Visiting Fellow at the Centre from September 2013 to September 2014. Her research project was 'The Influences of Chinese OFDI on Home and Host Countries'.

## **6. Seminar Series**

The Centre hosted 6 seminars on a wide range of China related topics of interest to New Zealand academics, policymakers and the wider public.

Visiting Fellow, Dongkun Li, presented 'Stepping Stone or Stumbling Block: the Impact of Chinese OFDI's Compressed Development on the State'. This seminar focussed on the changing role of the state in the promotion of Chinese overseas direct investment.

Marc Lanteigne, presented 'China's Rise and the Question of Emerging Neutralism in New Zealand Foreign Policy'. This seminar explored New Zealand's response to the rise of China and asked if this fitted the definition of neutralism.

Yu Changsen, National Center for Oceania Studies, Sun Yatsen University, presented 'Chinese economic diplomacy towards the Oceania Island States in the 21st Century'. This seminar explored China's economic diplomacy in the Pacific through analysis of changing patterns of trade, investment and development assistance.

Alison Hulme, a Ron Lister Visiting Fellow at University of Otago, presented 'A Tale of Two Cities: The Unlikely Symbiosis of Shanghai and Yiwu'. The seminar discussed the roles of two of China's cities in the global value chain.

Vanessa Frangville, Lecturer in Chinese at Victoria, presented 'Ethnic Minority Films in 21st century China'. The seminar discussed different attempts to stimulate the production of ethnic minority films in China through establishing business alliances with private industry players, creating ethnic minority film festivals and supporting ethnic-minority-films-related public events.

Wenwen Shen, Lecturer in Political Science and International Relations at Victoria, presented 'Old Wine in a New Bottle?: China's Approach to Human Security'. The seminar focused on the evolving security dialogue in China, exploring Chinese definitions of the 'New Security Concept', non-traditional security, 'people's security', and human security.

## 7. Public Sector China Awareness

Within the wider public sector work is currently underway to assess the need for greater knowledge and awareness of China in government departments and agencies. This work, being led by the Ministry of Foreign Affairs and Trade, will recommend ways of addressing this need.

In anticipation of the likely demand for locally generated courses for public sector employees the Centre drew up, and delivered its first such course in November, drawing on expertise in member Universities and additional support. There is scope for this to become a more prominent part of the Centre's activities and role in future.

## 2. Future direction of the Centre

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The China Centre is now a well-established centre of research on China in New Zealand with strong international links and stakeholder engagement from the public and private sector. Since its establishment, China has strengthened its international position and the significance of the Chinese market to the region and in particular to New Zealand has grown tremendously. The China Centre has an important role to play outlining, analysing and conveying the opportunities and challenges of China's rise in the Asia Pacific to our stakeholders in New Zealand.

2014 has been a year of transition for the Centre as the new Director is appointed and a new direction for the activities of the Centre is established. This new direction includes bringing in new researchers to the Centre and providing public sector training in response to Government needs to build China-related capacity in the public sector. A number of significant conference-related activities are planned in New Zealand and abroad.

### 1. Original goals of the Centre

The New Zealand Contemporary China Research Centre was established in 2009 to promote knowledge and understanding of China through support for research including collaborative research, lectures, seminars, conferences, visitor exchanges and information sharing. The establishment of the China Centre was a response to a need to build capacity and knowledge-sharing relating to China among New Zealand's universities, business community, and public sector and to have a national body capable of promoting informed, effective and sustainable relations between New Zealand and China.

In the sixth year of the Centre these goals have taken on new significance as China emerges as an important international actor in the Asia Pacific and New Zealand's relations with China deepen. In particular the 2008 Free Trade Agreement has

enabled the economic relationship with China to exceed all expectations and China has emerged as a major pole of economic activity in the region.

More than ever, there is a need in academia, government and the business sector to promote informed debate and research on China in order to strengthen and secure our relations with China and to respond proactively to the economic and geopolitical shifts in New Zealand's backyard.

## **2. Transitioning to a new Director**

The Founding Director of the China Research Centre, Professor Xiaoming Huang, completed his tenure as Director at the end of 2013. Professor Huang is responsible for setting up the basic operational structure of the Centre and establishing it as a national platform for research and information on China in New Zealand.

During Professor Huang's tenure, the Centre organised five major conferences in Wellington, 14 conferences in partnership with business schools, Chinese institutions, the New Zealand Government and other academic institutions in New Zealand, as well as a series of public lectures, roundtables and seminars and lectures.

Staff at the Centre would like to take this opportunity to acknowledge the work that Professor Huang put into establishing the Centre and building up its activities and presence in New Zealand, China and abroad.

For much of 2014, the China Centre was privileged to have Peter Harris as Acting Director. Mr Harris' work as the Acting Director included organising and running the hugely successful 2014 Wellington Conference on Contemporary China, reviewing the organisational structure of the Centre, updating the structure of the website and strengthening links with institutions and people associated with the Centre. Staff at the Centre would like to take the opportunity to congratulate Mr Harris on his contribution and support for the work of the Centre during this transitional year. We look forward to being able to continue to draw on and benefit from his wide scholarship and experience of China, and his strong support for broadening and consolidating such scholarship in New Zealand.

During 2014 a thorough process of searching for a new Director has been undertaken. Following this, Professor Zhiyue Bo was appointed as Director of the Centre and he will take up his position in late January 2015.

Professor Bo's research interests include China's elite politics, Chinese provincial leaders, central-local relations, cross-strait relations, Sino-U.S. relations, international relations theories, and global governance. He has published more than 120 book chapters and articles. Professor Bo is currently the Head of the Politics Group and Senior Research Fellow at the East Asian Institute of the National University of Singapore, a position he has held since December 2007. Prior to his



appointment in Singapore, he was chair of the Department of International Studies at St. John Fisher College in the United States for almost a decade.

Professor Bo obtained his Bachelor of Law and Master of Law in International Politics from Peking University and his Ph.D. in Political Science from the University of Chicago. He has taught at Peking University, Roosevelt University, the University of Chicago, American University, St. John Fisher College, Tarleton State University, and the Chinese University of Hong Kong. He was a recipient of the Trustees' Distinguished Scholar Award at St. John Fisher College and the inaugural holder of the Joe and Theresa Long Endowed Chair in Social Sciences at Tarleton State University. He has also been Visiting Distinguished Professor at Shanghai Jiaotong University in China and Chair Professor at National Chengchi University in Taiwan.

Professor Bo is a popular public speaker. He has been invited to present his work at many universities and research institutions around the world. He has also acted as a consultant and advisor for government agencies and business organisations in Singapore, Thailand, Russia, the Netherlands, France, South Korea, Taiwan, China, the European Commission the United States and Hong Kong. His commentaries on Chinese politics have been carried by international media such as BBC, ABC, CNBC, New York Times, Washington Post, Reuters, the Guardian, the Times, and Bloomberg.

The appointment of Professor Bo as Director will significantly strengthen the reach and activities of the China Centre in 2015 and allow the Centre to embark on new directions in its activities.

### **3. Plan for 2015**

The Centre has a number of projects planned for 2015, including:

#### ➤ China and the Pacific - The View from Oceania

The New Zealand Contemporary China Research Centre will be the lead organiser of a Conference to be held at the National University of Samoa in Apia on 25 -27 February 2015. It will focus on reactions to China's rise and growing role in Oceania. Partners in the project are the NZ Contemporary China Research Centre, the National University of Samoa and the Sun Yat-sen University in Guangzhou. Leading scholars from the Pacific Islands region, New Zealand and China will participate.

#### ➤ Wellington Conference on Contemporary China

The annual conference on contemporary China will be held mid-2015. The conference theme remains open for discussion. The Centre seeks input from the new Director.

#### ➤ Additional activities

With the appointment of the new Director, the Centre expects to move forward with plans to co-host additional conferences and roundtables and to attract high quality visiting fellows and international researchers to activities on China in New Zealand.