

Chapter 14

Human rights

14.1 In large measure, the growth in trading activity between Australia and China stems from the highly complementary nature of this relationship. In a speech delivered in 2004, the Chinese Ambassador to Australia described the Australian and Chinese economies as similar to 'gears meshing into each other'.¹

14.2 A number of witnesses have remarked on the growing reliance Australia places on China as a major export market to maintain its prosperity. Some have noted that 'China matters more to Australia in terms of trade than the other way around'.² It is important then for Australia to ensure that nothing interferes with the smooth meshing of these gears. Some witnesses fear, however, that intent on maintaining good trading links with China, Australia may compromise on matters of principle so as not to upset the relationship.

14.3 Some of these sensitive matters, as mentioned in chapter 2, involve Taiwan and the one China policy, the potential for US–China conflict, and the tension between China and Japan. These political aspects of the Australia–China relationship will be examined in detail in the committee's second report to be tabled separately.

14.4 This chapter explores points of likely friction between China and Australia where broader national interests may impinge on purely economic considerations. As noted above, it does not explore the broader geo-political aspects that involve a third country such as Taiwan, Japan or the US. This chapter focuses, in particular, on the political and humanitarian issues likely to bring Australia and China into disagreement and which may adversely influence the trading environment.

Points of agreement

14.5 Recently, in an address to the Asia Society, the Prime Minister stated that 'Australia's relationship with China further illustrates what can be achieved when countries focus on the substance of common interests'. He told the audience that Australia seeks to build on shared goals and not 'become obsessed by those things that make us different'.³ This statement raises the issue about Australia's approach to matters on which the countries disagree.

1 C. Mackerras, *Submission P54*, p. 9.

2 See for example C. Mackerras, *Submission P54*, p. 9.

3 Transcript of the Prime Minister, the Hon John Howard MP, Address to the Asia Society Lunch, the Asia Society, New York City, 12 September 2005.

14.6 Professor Stuart Harris referred to economic coercion, which could include the withdrawal of economic relationships, as an important potential weapon itself and 'a factor in Chinese thinking'.⁴ Professor Fitzgerald made a similar observation:

Generally speaking it is reasonable to say that in the contemporary world order countries get their way by pushing people around. It is not unusual for—how shall I put it?—cultural representatives of one country to intimate to business leaders of another that they would lose a contract unless something was done about some other totally unrelated issue; like you might go to wage war in order to win a trade concession. This linkage of trade with other issues is now quite widespread. China does not hesitate to use that kind of intimidation with anyone in relation to business. There is nothing that is unique to Australia about that. It is unfortunate, but it strikes me as fairly commonplace.⁵

14.7 Peter Jennings, Director, the Australian Strategic Policy Institute, suggested that Australia and China have 'sought to secure their economic relationship by tacitly agreeing not to stress the issues that either party finds difficult to handle'.⁶ Professor Jacobs was of the view that Australia chooses to play down or ignore troubling aspects of China's development because of China's influence. He produced a long list of matters that he regarded as noteworthy including the environmental and ecological damage occurring in China, the wastage of water, the plight of poor peasants, the riots over the selling of agricultural land for industrialisation purposes, and projects geared to rich government and party cadres. He asked:

How many foreign entrepreneurs really make money in China? Some do, but many more lose their shirts. How long does one stay in China on the promise of earning money in the future? Why, in view of these economic difficulties, do we feel a need to appease China? Why do we feel a need to kowtow to China's leadership even before they say anything? Is it because in the past the Chinese have thrown a few hissy fits?⁷

14.8 In order to understand better and evaluate Australia's approach to matters on which Australia and China are likely to clash, the committee looks at the protection of human rights.

Human rights in China

14.9 Chinese leaders are aware that they have come under harsh criticism from some sectors of the international community for failing to adequately protect human rights in their country. In 2004, it inserted in its constitution the principle that 'the state respects and safeguards human rights'. More recently, it has also produced a white

4 S. Harris, 'Does China matter? The global economic issues', Department of International Relations, ANU, Canberra, September 2003, p. 3.

5 J. Fitzgerald, *Committee Hansard*, 27 June 2005, p. 82.

6 *Submission P2*, p. 4.

7 J. Jacobs, *Committee Hansard*, 27 June 2005, p. 36.

paper on human rights that was promoted as a document providing 'a plethora of facts and figures detailing the past year's efforts and achievements in safeguarding the basic human rights of the Chinese people and providing legal guarantees of these rights'.⁸

14.10 Without doubt, China has made progress toward reform in some areas of human rights. The committee outlined in chapter 2 the steps taken by the Chinese to alleviate poverty in their country. Organisations such as Amnesty International, however, argue that serious and widespread human rights violations are still perpetrated across the country.⁹ In its 2005 report, it concluded:

Tens of thousands of people continued to be detained or imprisoned in violation of their fundamental human rights and were at high risk of torture or ill-treatment. Thousands of people were sentenced to death or executed, many after unfair trials. Public protests increased against forcible evictions and land requisition without adequate compensation. China continued to use the global 'war on terrorism' to justify its crackdown on the Uighur community in Xinjiang. Freedom of expression and religion continued to be severely restricted in Tibet and other Tibetan areas of China¹⁰

14.11 Concerns were raised with the committee that the Australian government places too much weight on the trading relationship and economic aspects of Australia's relationship with China and ignores human rights abuses occurring in China. Mr Woodard suspected that Australia had watered down its stand on the protection of human rights in China because of other considerations. In referring to Australia's decision to withdraw from condemning China in the United Nations Commission on Human Rights, he told the committee:

I do not know whether a whole of government approach was taken in which the economic implications of this and the implications in regard to security cooperation across the board—that is, not only defence but Attorney-General's—with China were all examined. Sending the right signal is really important, I think, and I am not sure that the decision that we took on human rights in 1997 did send the right signals to China. I believe that before that they took us very seriously on this human rights matter. This was an issue on which we had healthy differences. Those healthy

8 The full text of the white paper, 'China's Progress in Human Rights in 2004', is reproduced in *China through a lens*.

9 Amnesty International Report 2005, <http://web.amnesty.org/report2005/chn-summary-eng> (accessed 9 August 2005).

10 Amnesty International Report 2005, <http://web.amnesty.org/report2005/chn-summary-eng> (accessed 9 August 2005). It should be noted that this same report criticised Australia stating that the rights of indigenous Australians remained a concern and that measures to combat 'terrorism' led to legislative amendments with implications for civil rights. It also noted that 'limited options for permanent residency were introduced, although thousands of refugees remained in limbo' and 'refugee families were kept separate by the government's policy of mandatory and indefinite detention'.

differences should always exist. We may have obscured our image somewhat.¹¹

14.12 In a similar vein, Dr Morgan was of the view that the Australian people and the Australian government have certain principles related to democracy and economic institutions. He stated that Australia should not let short-term developments get in the way of Australia preserving and maintaining those.¹² He explained further:

...we should make it clear to them [Chinese] that we respect people's rights and that we would like to see China moving towards a more democratic type of environment. Not that I think we can actually make them do it, but we should emphasise that that is important. We do not just want to sell iron ore or educate their kids; we would also like to see improvements in welfare and political freedom.¹³

14.13 Dr Ranald was equally concerned that Australia may give 'a high priority to economic relationships and not enough attention to issues such as human rights, labour rights and environmental concerns'.¹⁴ Professor Jacobs cited the case of Mr Chen Yonglin, a former diplomat who sought political asylum in Australia, as an example of where he believed Australia acted out of concern for maintaining a good relationship rather than respect for individual rights. He stated:

Why was his request for asylum duckshoved back and forth between the Department of Foreign Affairs and Trade and the Department of Immigration and Multicultural and Indigenous Affairs? Why did each department insist that the other department had responsibility? Why could the problem not be solved quickly? Why was Mr Chen left hanging for at least three weeks before the Prime Minister intervened and stated that Mr Chen would not be sent back to China? What did this series of events do for our relationship with China, the United States and the rest of the world?

I believe the answers to these three sets of questions relate to China's growing economic strength and a perception that we in Australia can gain wealth, provided that we have good links with China's rulers. I believe, however, that such perceptions are flawed.¹⁵

14.14 Dr Anne Kent placed a similar interpretation of the events following Mr Chen's request for political asylum. She said that the government's response to his

11 C. Woodard, *Committee Hansard*, 27 June 2005, p. 32.

12 S. Morgan, *Committee Hansard*, 27 June 2005, pp. 6–7.

13 S. Morgan, *Committee Hansard*, 27 June 2005, pp. 8–9.

14 P. Ranald, *Committee Hansard*, 29 June 2005, p. 6.

15 J. Jacobs, *Committee Hansard*, 27 June 2005, p. 36.

request must be considered in the wider context of a dependent foreign policy and a deterioration of Australia's policy on domestic and international human rights.¹⁶

14.15 Clearly, in the minds of some witnesses, the Australian government has stepped back from criticising certain actions by China because it does not want to offend the country. To their way of thinking, the desire to maintain strong economic ties, sometimes at the cost of defending international human rights principles, appears to be at the forefront of the government's considerations when dealing with China. The following section explores this perception by looking at the issue of Falun Gong.

Falun Gong

14.16 The concern that Australia may underplay its advocacy for the protection of human rights in China in favour of economic considerations was expressed vigorously by witnesses during the committee's inquiry into the Mr Chen case.¹⁷ During that inquiry, the committee heard allegations that the Chinese government had violated the basic human rights of Falun Gong practitioners. The alleged abuses for practicing their belief included harassment, torture and assignment to 're-education through labour' or being forcibly institutionalised in psychiatric hospitals.¹⁸

14.17 According to the Falun Dafa information centre, 'Falun Gong (or Falun Dafa) is an ancient form of qigong, the practice of refining the body and mind through special exercises and meditation'. Since becoming public in 1992, Falun Gong has attracted tens of millions of devotees in over 60 countries.¹⁹

14.18 The Chinese government, however, does not see the Falun Gong in the same light as its practitioners and has made clear that it regards the organisation as an 'evil cult'.²⁰ During a visit to Australia in March 2002, the Chinese Foreign Minister, Mr Tang Jiaxuan indicated that the government believed that there had been a tendency within the Falun Gong that merited 'attention and alert'. He was of the view that Falun Gong was 'turning increasingly violent' and urged Australia to contain its activities.²¹ During a press conference, he stated:

16 A. Kent, *Submission P77*, p. 4. Dr Kent is an international relations scholar specialising on China. She is an ARC Australian Research Fellow at the Centre for International and Public Law, Faculty of Law, Australian National University.

17 Senate Foreign Affairs, Defence and Trade References Committee, *Mr Chen Yonglin's request for political asylum*, September 2005.

18 See Senate Foreign Affairs, Defence and Trade References Committee, *Mr Chen Yonglin's request for political asylum*, September 2005, Appendix 5. D. Goodman, *Submission P53*, p. 1.

19 Australia Falun Dafa Information Centre, <http://www.falunau.org/aboutdafa.htm> (accessed 14 July 2005).

20 See for example, Transcript, 'AM', 28 June 2005.

21 Department of Foreign Affairs and Trade, press conference transcripts, 'Chinese Minister for Foreign Affairs, Tang Jiaxuan, meeting the Australian Minister for Foreign Affairs, Alexander Downer', 19 March 2002. See also C. Mackerras, *Submission P54*, p. 17.

As the Foreign Minister of China, I would like to appeal to the relevant countries to heighten their vigilance against the evil cult of Falun Gong and refrain from conniving at or supporting the activities of Falun Gong or allow Falun Gong to use their territories in engaging in activities against China, so as to preserve their social security and their stability and to preserve their friendly and cooperative relations that they have had with China, and to prevent the on-going friendly and co-operatives with China from being damaged in any way.²²

14.19 The Australian government has issued statements on a number of occasions raising concerns about China's ban of Falun Gong and its treatment of Falun Gong practitioners, which Australia regards as breaches of fundamental standards of human rights.²³

14.20 A number of witnesses to this committee are of the view, however, that Australia has failed to take a stronger stand because of political and economic considerations. Their criticism relates particularly to allegations of spying on Falun Gong practitioners in Australia.

14.21 In response to a question about the supposed surveillance of Falun Gong practitioners in Australia by Chinese operatives, Professor Fitzgerald noted that it was commonplace for Australian citizens of Chinese descent under surveillance having to change their email addresses and their phone numbers. This action applied, in particular, to those who have relations and friends back in China.²⁴ He stated:

In conversation with fellow Australians who happen to be of Chinese background, I have come to sense that they do not feel adequately protected by or recognised as equal citizens under Australian law when it comes to protection from surveillance by a foreign power, even though they are full and equal Australian citizens.

...There is no doubt that this [surveillance] is taking place on a very wide scale. In my view, the Chinese government needs to understand that in the long term this could have a very detrimental impact on people-to-people relations between our two countries, because Australians do not like foreigners spying on their private lives—and Chinese-Australians like it no more than other Australians do.²⁵

14.22 He stated further:

It is largely Chinese-Australians who are under surveillance...Why do I say 'largely Chinese-Australians'? It is not exclusively. When it comes to the

22 Department of Foreign Affairs and Trade, press conference transcripts, 'Chinese Minister for Foreign Affairs, Tang Jiaxuan, meeting the Australian Minister for Foreign Affairs, Alexander Downer', 19 March 2002.

23 See for example answer to question on notice no. 202, 14 May 2002.

24 J. Fitzgerald, *Committee Hansard*, 27 June 2005, p. 82.

25 J. Fitzgerald, *Committee Hansard*, 27 June 2005, p. 80.

Falun Gong it is clear that any member is subject to surveillance, but it is particularly Chinese–Australian members of Falun Gong who are reported on, because they are the ones who can be threatened by reference to family or other connections in China. Australians of European descent are not in a position to be threatened. I do not know enough about it, but my suspicion is that it is not as widespread.²⁶

14.23 He suggested that this was not necessarily a matter for DFAT or DIMIA but more likely for the Attorney General’s Department or for those who speak on behalf of Australian law, justice, rights and citizenship. He told the committee that in his view a message needs to be driven home to China’s representatives in Australia that surveillance of Australian citizens will not be tolerated.²⁷ He noted:

It is an opportunity to make a number of very public gestures which would send a message home that, leaving aside trade, leaving aside diplomacy and all the constraints and protocols that apply in those areas, when it comes to Australian sovereignty and citizenship and what happens here, there is no mucking around—it has to stop.²⁸

14.24 Mr John Liang, a member of the Federation for a Democratic China (FDC), said that the government must take action to investigate the spy and informer network claims.²⁹ Mr Chin Jin from the FDC told the committee 'it is my point of view that governments should take action to stop the wrong doing of the Chinese communist government's infiltration and manipulation of the ethnic Chinese community'.³⁰ The Falun Dafa Association in Australia has also called upon the Australian Government to examine fully allegations of Chinese spies operating in Australia.

Committee view

14.25 The committee accepts that Australia and China differ significantly with regard to their policies toward the treatment of those perceived to be political dissidents. Australia fully advocates freedom of speech, of association and of religion. China takes a far less tolerant approach. When it comes to Chinese actions against people resident in Australia, such as the surveillance of Falun Gong practitioners, the committee believes that the government is duty bound to take an unequivocal stand in defence of individual rights. The committee was not inquiring into Falun Gong and did not thoroughly investigate the allegations about spying. Even so, the claims were raised and are now on the public record.

14.26 The committee believes that the airing of these matters requires the government to offer assurances that any such allegations are or will be investigated

26 J. Fitzgerald, *Committee Hansard*, 27 June 2005, p. 82.

27 *Committee Hansard*, 27 June 2005, p. 80.

28 *Committee Hansard*, 27 June 2005, p. 83.

29 *Committee Hansard*, 25 July 2005, pp. 3–5

30 *Committee Hansard*, 25 July 2005, p. 2.

and the findings of those investigations made public. The committee also believes that in light of these allegations, it would be timely for the government to make a public statement to the effect that all people residing in Australia are entitled to enjoy their fundamental freedoms without interference from any individual, organisation or government.

Recommendation 18

14.27 The committee recommends that the Australian government place on the public record a statement making clear that all people resident in Australia are entitled to the protection of its laws and to exercise their fundamental freedoms without interference from any individual, organisation or government.

14.28 In regard to human rights violations in China, the committee believes that the government has an important role in encouraging China to abide by international principles. The committee accepts that the matter of human rights in China is a most sensitive one. It is important for Australia to manage any disagreement with China in a way that allows it the opportunity to raise objections or concerns about human rights abuses but at the same time ensures that the substance of the relationship remains sound. This means that a balance has to be reached in the relationship whereby Australia does not feel as though it must compromise its values in order to gain economic favour.

Australia's human rights dialogue with China

14.29 The government's approach to managing the human rights relationship between Australia and China has been to engage China on these issues in a cooperative manner that eschews a confrontational approach. They have agreed to deal with their differences through dialogue and consultation. The following section considers the human rights dialogue process set up between Australia and China.

14.30 Australia recognises that it has a very different political system from China, with a different set of social and cultural values. In evidence to the committee, DFAT said:

In developing a political relationship with China, we are often made acutely aware of these differences. But China is important to Australia, and we seek to develop the relationship through constructive dialogue and engagement. We do not ignore our differences, but we deal with them in a constructive way.³¹

14.31 Professor Colin Mackerras accepted that there are generally different cultural approaches between China and western countries to the concept of individual 'rights':

Chinese favour the communitarian approach to human rights, emphasizing the history and experience and community welfare of specific peoples,

31 DFAT, *Committee Hansard*, 16 June 2005, p. 3.

while Australians tend far more strongly to support the individualistic approach, which stresses the universality of individual human rights.³²

14.32 He observed that:

Australian governments have generally much preferred the path of dialogue to the economic sanctions frequently imposed by such countries as the United States. Under the Howard government, there has been a rather passive human rights dialogue between the two countries, but one that has resulted in Australian assistance to China in matters affecting human rights, such as the law system.³³

14.33 In his opinion, the reasons for Australia adopting a passive approach are:

- closer economic and political relations between the two countries;
- the view that improvements in China's living standards will be accompanied by improvements in its human rights; and
- increasing international criticism of Australia on human rights grounds.³⁴

14.34 As noted above, the Australian government places emphasis on achieving realistic outcomes by adopting an approach to human rights in China that is 'constructive and based on dialogue rather than public confrontation'.³⁵ Consistent with this approach, China and Australia initiated a high level dialogue on human rights in August 1997. During that dialogue, they agreed to undertake a program of technical cooperation aimed at strengthening the administration, promotion and protection of human rights in China. Since then, annual rounds of human rights dialogue, which provide an opportunity for both countries to converse on human rights issues of mutual concern, have been held. The key issues raised by Australia over recent years include civil and political rights, the legal system, women's and children's rights, rights of HIV/AIDS sufferers, ethnic minorities and the treatment of groups such as Falun Gong.³⁶

14.35 Issued in October 2004, a Joint Press Statement for the 8th China–Australia Human Rights Dialogue defended the effectiveness of the dialogue in promoting and protecting human rights. It stated:

Both sides held that Sino-Australian relationship is maintaining sound momentum of development with ever expanding exchanges and cooperation in various areas. Further development of friendly cooperation

32 C. Mackerras, *Submission P54*, p. 17.

33 C. Mackerras, *Submission P54*, p. 17.

34 C. Mackerras, *Submission P54*, p. 18.

35 DFAT, *Committee Hansard*, 16 June 2005, p. 4.

36 The Hon Alexander Downer, MP, Minister for Foreign Affairs, Australia, Media Release, FA146, 21 October 2004.

served the interests of both peoples and the peace and prosperity of the Asia–Pacific region. The commitment of both sides to dialogue gave expression to the strong bilateral ties existed between China and Australia.

Both sides reiterated their recognition of and respect for the universal nature of human rights, holding all human rights are inseparable, interdependent and interlinked.

Both sides held that since social system, cultural tradition and development level varies among members of the international community, the existence of different opinions on human rights was only normal. Human rights dialogue on the basis of equality and mutual respect facilitated more mutual exchange, better mutual understanding and common progress.

Both sides held that, all countries, developing or developed, shared the responsibility of further promoting and protecting human rights, but the difficulties they might come up against were different.³⁷

14.36 Following the most recent meeting in June 2005, Mr Geoff Raby, Deputy Secretary, DFAT, indicated that the dialogue was not the forum for addressing the claims of Chinese spying and harassment of citizens by Chinese authorities in Australia.³⁸ Although the allegations had been aired in the media and attracted much publicity, he offered no further explanation.

14.37 As noted earlier, the Australian government believes that this human rights dialogue 'is the best way to engage' the Chinese on the issue of the protection of human rights—that it is a 'more constructive and practical way to achieve results'.³⁹ DFAT accepted that while progress is slow, this approach is preferable to the alternative, which is no progress and public condemnation of China.⁴⁰ It argued that improvements were evident:

We believe our dialogue does sensitise the Chinese and they have become more aware that their international image is at stake. We believe they are responding better; when we raise cases, they are responding more frequently than they did in the past.⁴¹

It added:

We realistically do not expect them to suddenly leap up and say, 'That's a terrific idea; we'll implement that right away.' But we do notice that from dialogue to dialogue they will come back and talk about improvements in their systems. We are helping them, especially through the technical cooperation program, to get a practical understanding of how the general

37 Joint Press Statement for the 8th China-Australia Human Rights Dialogue, 22 October 2004.

38 Transcript, 'AM', 28 June 2005.

39 See for example, Transcript, 'Lateline', 28 June 2005 and Transcript of the Prime Minister, the Hon. John Howard MP, Press Conference, SOFITEL Hotel, Boao Forum, 22 April 2005.

40 DFAT, *Committee Hansard*, 16 June 2005, p. 4.

41 DFAT, *Committee Hansard*, 16 June 2005, p. 24.

criticisms about human rights in China could be addressed in a very practical way within China.⁴²

Criticism of the effectiveness of the human rights dialogue between Australia and China

14.38 The committee received a number of submissions suggesting that the human rights dialogue was inadequate and advocating that Australia adopt a more forceful approach to confronting China on its apparent human rights failures. Some witnesses to the Mr Chen inquiry, in particular, were highly critical of the government's response to the matter of the protection of human rights in China. Mr Chin Jin, from the Federation for a Democratic China, told the committee that 'China's human rights abuses receive no harsh criticism'. In his view, the Australia–China human rights dialogue is actually ineffective and fruitless in persuading the Chinese government to follow well accepted international standards. According to the former Chinese diplomat, Mr Chen Yonglin, the ongoing Australia–China human rights dialogue is a show:

Looking back at the past decade of multi-round non-confrontational and constructive dialogues, has there been any progress? In my opinion, no. From my point of view, it is time for the Australian government to review the multiround Australia–China human rights dialogue.⁴³

14.39 Some submitters to this inquiry were equally critical of the dialogue on human rights between the two countries. Dr Ranald believed that the China–Australia human rights dialogues have not been 'very effective' and that both countries 'find it convenient' to keep trade discussions and the human rights dialogue apart.⁴⁴ In her view, those issues should be given 'a high priority and that they should be criticised where they need to be criticised'.⁴⁵

14.40 Professor Jacobs also questioned the effectiveness of Australia's current approach:

Do we really believe that such kowtowing will bring more economic benefits in the future? What is the evidence that such kowtowing does work? I strongly believe that one of our strengths is our democratic system. It is something about which we are, and should be, very proud. The feedback loops of periodic elections and a free media enable us to give our leaders feedback and to change our leaders if we are dissatisfied. Part of this strength is human rights. Why are we afraid to make it clear that we very strongly support human rights and democracy?⁴⁶

42 DFAT, *Committee Hansard*, 16 June 2005, p. 9.

43 *Committee Hansard*, 25 July 2005, p. 2.

44 P. Ranald, *Committee Hansard*, 29 June 2005, p. 9.

45 P. Ranald, *Committee Hansard*, 29 June 2005, p. 6.

46 J. Jacobs, *Committee Hansard*, 27 June 2005, p. 36.

14.41 Dr Goodman was of the view that the dialogue attracts little attention either here or in China. He noted that, although he was looking for reference to the dialogue, he could not find it in any official media. In his view the results from dialogue are incremental:

...we should do them, because, although you are not going to achieve anything then and there, they are part of a slow process which convinces people that there may be other ideas to learn from. So you have to do it. But there is no point in doing it unless you are actually impacting on somebody other than the people who attend the meeting, and I do not know that we are.⁴⁷

14.42 Dr Goodman's observation about the lack of publicity given to the dialogue was telling. The human rights dialogue held in June 2005 was conducted behind closed doors and produced only a short bland statement about the meeting. As explained by Ms Morton, DFAT:

We do not publish the outcomes or the exchanges at these meetings. These are government-to-government exchanges and, while we do have a press conference at the end of them and the leaders of the delegations answer questions, we consider that keeping this dialogue on a government to government basis and not publishing the full details allows us to be more frank and to have a freer exchange than if we were doing it in a very public environment.⁴⁸

14.43 On the other hand, the Human Rights Council of Australia argued that 'there needs to be an open exchange on matters of substance as the basis for future dialogue, both with the Chinese government and with representatives of Chinese civil society.'⁴⁹

14.44 The committee draws attention to the findings of the Joint Standing Committee on Foreign Affairs, Defence and Trade in its report following an inquiry into Australia's Human Rights Dialogues. That committee noted that there is no formal reporting requirement for the dialogues and recommended that the Minister for Foreign Affairs table an annual statement on the dialogues in Parliament.⁵⁰ It also recommended that DFAT, Ausaid and HREOC make more effective use of their websites to convey up-to-date information on the dialogues.⁵¹

47 *Committee Hansard*, 29 June 2005, p. 62.

48 *Committee Hansard*, 16 June 2005, p. 9.

49 *Submission P79*, p. 3.

50 Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia's Human Rights Dialogue Process*, September 2005, p. 38.

51 Joint Standing Committee on Foreign Affairs, Defence and Trade, *Australia's Human Rights Dialogue Process*, September 2005, p. 41.

Committee view

14.45 The committee found it difficult to assess the effectiveness of the human rights dialogue with China because of the lack of information available on the outcomes achieved as a result of the dialogue. The committee believes that the dialogue provides an opportunity for Australia and China to demonstrate to the peoples of both countries and more broadly to the international community that they are strong advocates of the protection of human rights. Such demonstration cannot take place behind closed doors and be further masked by bland statements about progress. It endorses the recommendations made by the Joint Standing Committee on Foreign Affairs and Trade as outlined above but believes that additional measures should be taken to improve transparency in the dialogue process.

14.46 The committee would like to see an informative agenda issued before the dialogue takes place. It would also like to see a joint statement released by both parties immediately following the talks that provides a detailed assessment of the progress made since the last meeting, a discussion of the topics considered during the dialogue, and the agreements reached for future action. The committee believes that such a measure, while still taking account of the need for both parties to be able to talk frankly about sensitive issues, would add greatly to the value of the talks.

Recommendation 19

14.47 The committee recommends that Australia encourage China, as part of the human rights dialogue, to reach an agreement that both countries:

- **release an informative agenda on the human rights dialogue before the dialogue commences;**
- **make public a joint statement immediately following the talks that provides a detailed assessment of the progress made since the last meeting, a discussion of the topics considered during the dialogue, and the agreements reached for future action; and**
- **consult with non-government organisations (NGOs) working in the area of human rights before each dialogue, or at the very least find a more effective way to engage them in the process.**

A stronger approach

14.48 As noted earlier, many witnesses believed that Australia could do more to encourage China to improve its human rights record. In particular, some emphasised that a timid approach could do more damage than good to Australia's relationship with China. Most urged the government to participate in strong and vigorous debate.⁵² Dr Morgan was of the view that Australia needs to strengthen its relationship with China and will not do so by appearing weak. He stated that China and the Chinese respect

52 S. Morgan, *Committee Hansard*, 27 June 2005, pp. 6–7.

strength and opinion.⁵³ He highlighted the contribution that Australia could make to influencing China:

I get the impression that China does take some note of what we think and what we say. As a country that does not represent a strategic threat to China but which could be a collaborative partner, as well as being a gateway or a vehicle for access to the USA and so on, we are in a unique position to make sure that the values that we think are important are effectively conveyed.⁵⁴

14.49 Professor Jacobs also stated that Australia should not be afraid to raise issues of human rights. He was conscious that by publicly defending the rights of others, the Australian government may well give heart to those in China advocating greater protection of such rights in their country. He stated:

I would hate to see us be in a situation where we are looked at as a sort of Chinese tributary.⁵⁵

14.50 He elaborated on his argument:

I think we need to stand up and speak about things. I made the point before, and I think it is a critical one...that there are people in China who want us to say those sorts of things, and they are exactly the sorts of people we should be happy to help. Ultimately, we have to be aware that the system in China could change, and it is very important for us not to become too tied in to being identified with the current regime. As I said, being tied in to Suharto did not help our relations with Indonesia in the slightest. It is important to have links with a variety of peoples.⁵⁶

14.51 Mr Chin Jin also stated:

I want to emphasise here that adherence to the value of democracy and the moral principle of a fully fledged democratic country will not necessarily damage economic and trade ties with China. I implore the Australian government to push forward Australia's value of democracy and freedom to help and induce China to get on the road towards democracy and consider it as important as economic benefits in dealing with communist China. This should not contradict the long-term national interests of Australia but make a good contribution to the security and stability of the Asia-Pacific region and the whole world.⁵⁷

53 See for example, S. Morgan, *Committee Hansard*, 27 June 2005, pp. 6–7.

54 *Committee Hansard*, 27 June 2005, p. 8.

55 J. Jacobs, *Committee Hansard*, 27 June 2005, p. 46.

56 J. Jacobs, *Committee Hansard*, 27 June 2005, p. 49.

57 *Committee Hansard*, 25 July 2005, p. 3.

14.52 Mr Harrowell shared the view that Australia should not make excuses for China and should challenge China on the issues that need reform. He noted, however, that:

...one thing I do believe is that we do not give them enough credit for what they have achieved. Chinese young people are actually very proud of what they have achieved. Sometimes we focus very strongly on the negative stories in this country. We are good mates with them, to use the Australian expression, and that gives us a chance to engage on the harder issues.⁵⁸

14.53 This observation supports the committee's findings that Australia and China are not taking advantage of the human rights dialogue to promote the protection of human rights. There are people not only in Australia but in China who want confirmation that both countries are committed to advancing the rights of individuals. Both countries should welcome the opportunity to present an accurate assessment of the work they are doing to improve their human rights record. They should not shy away from showing the world their shortcomings and achievements in protecting human rights.

Australia—setting an example

14.54 The Human Rights Council of Australia praised Australia's history as a champion for the protection of human rights. It stated that throughout the 1980s and the first half of the 1990s Australia stood out as one of the most influential nations, taking a major role in areas such as 'standard setting, domestic remedies, strengthening international mechanisms, using bilateral influence and providing refuge for those fleeing human rights violations'. It submitted:

That role was built on a strong, consistent and uncompromised Government commitment to human rights in Australia and internationally. That commitment crossed party lines.⁵⁹

14.55 The Council pointed to Australia's advocacy of the abolition of the death penalty as an example of Australia's commitment to upholding human rights. It claimed, however, that over recent years, Australia has compromised this commitment citing the following actions:

- the passing of legislation, in the context of the 'war against terror', which ignores basic human rights;
- the ill-treatment of asylum-seekers in detention centres;
- indications by some Australian political leaders that they do not consider it appropriate to seek to prevent executions of people in other countries (unless they are Australian citizens);

58 J. Harrowell, *Committee Hansard*, 29 June 2005, p. 41.

59 *Submission P79*, p. 2.

- the government's endorsement of the long-term detention without trial of Australian citizens by the US Government.

14.56 The Council argued that in light of these actions, the Australian government has made it more difficult for Australia to be a credible voice raising concerns about human rights violations in China. It stated:

The universality and inalienability of international human rights standards have been significantly damaged by Australia in recent years and this impairs its ability to use its influence to change the unacceptably high level of human rights violations in China.⁶⁰

Committee view

14.57 The committee notes the number of witnesses who underlined the importance of Australia speaking out against human rights violations. They spoke of the need for Australia to send the 'right signal' to China and the international community. The committee endorses their view and believes that the Australian government must take a public stand on the protection of human rights. It also accepts that strong words are not enough and if Australia is to influence the behaviour of other countries in respect of human rights, it must ensure that it is providing an example that other countries should follow. Australians must be aware of how other countries perceive its record on the protection of human rights and work to ensure that the country is a positive force in leading others to adhere to the principles underpinning internationally recognised human rights.

14.58 In the following section, the committee considers another matter likely to give rise to disagreement between Australia and China—labour standards.

Labour standards in China

14.59 Respect for religious freedom and associated human rights is not the only area where Australia is concerned with developments in China. The issue of labour standards is another matter on which Australia and China may find that trade considerations clash with differing expectations of what is accepted practice.

14.60 China is a member of the International Labour Organization (ILO). Even so, organisations such as Amnesty International have criticised China for not adhering to international labour standards. The discrimination against women in the workplace and the frequency of serious accidents, which points to occupational health and safety failings, were of particular concern. It also criticised China for curtailing the right to freedom of expression and association including the right to form independent trade

60 *Submission P79*, p. 2.

unions and to hold peaceful protests.⁶¹ This restriction means that the majority of workers in China are not represented by an independent trade union and are unable to bargain collectively for better terms and conditions of employment.⁶²

14.61 Views put to the committee by a number of witnesses supported the contention that China falls short in meeting the standards set by the ILO. Dr Ranald, AFTINET, told the committee that her organisation was very concerned about 'the lack of labour rights in China, including China's failure to implement its own labour laws and its failure to abide by certain basic labour standards as defined by the UN and the International Labour Organisation'. The AFTINET submission made several criticisms of China's current human rights record. It noted that:

- China has ratified only three of the eight *ILO Conventions on Fundamental Principles and Rights at Work*.
- workers in China's 'export processing zones' (centred in Guangdong Province) are forced to work excessive hours to meet transnational corporations' sub-contract orders. Real wages in these zones have fallen over the past 12 years, despite the enormous wealth created from manufacturing exports.⁶³
- there have been 'numerous reports of labour rights abuses...in export-oriented industries'.⁶⁴ It cites the example of an October 2003 strike of more than 5,000 women from Nanchong city textile mill in Sichuan province: 'more than 1,000 police were called in and many arrests followed'.⁶⁵
- Chinese workers are not free to form or join the trade union of their choice. They can only join through the All-China Federation of Trade Unions, which is closely associated with the Communist Party. Attempts to start independent workers' organisations are repressed.⁶⁶
- there is a 'systemic preference for single women' in factory production, reflecting lower rates of pay for these workers than for married women.⁶⁷

61 See for example, International Labour Organization, *The ILO in China*, <http://www.ilo.org/public/english/region/asro/beijing/inchina.htm> (accessed 26 August 2005); Amnesty International, *Fundamental Rights at Work, Amnesty's International Concerns to the International Labour Conference (4–20 June 2002)*. Amnesty International Report, 2005.

62 See also Serena Lillywhite, Manager, Ethical Business, Brotherhood of St Laurence, Australia, 'Pursuing corporate responsibility in China—experiences of a small enterprise in the optical industry', OECD Roundtable on Corporate Responsibility, OECD Headquarters, Paris, 19 June 2002.

63 Australian Fair Trade and Investment Network, *Submission P16*, pp. 6–7.

64 Australian Fair Trade and Investment Network, *Submission P16*, p. 6.

65 Australian Fair Trade and Investment Network, *Submission P16*, pp. 7–8.

66 Australian Fair Trade and Investment Network, *Submission P16*, p. 7.

67 Australian Fair Trade and Investment Network, *Submission P16*, p. 8.

- China has a poor record in workplace safety with roughly one million industrial accidents a year since 2001. In 2004, 6,000 miners died in industrial accidents.⁶⁸

14.62 Dr Ranald cited the work of Anita Chan that shows that real wages have actually been falling in the 'export processing zones' because a 'bidding down process' goes on to secure contracts.⁶⁹ She elaborated that because there is a lack of effective rights to organise and bargain collectively:

There is discrimination and victimisation of migrant workers, who are in an even more vulnerable position than other workers in China—especially young women—and there are very bad health and safety conditions. There is also a lack of effective environmental protection and a failure to implement environmental laws.⁷⁰

14.63 Dr Ranald believed that:

...trade agreements should be consistent with human rights, labour rights and environmental protections and should take account of the particular needs of developing countries. We also want to have a more open, democratic and transparent process before decisions are made to undertake trade negotiations and before the decision making about actual trade agreements.⁷¹

14.64 The Australian trade union movement also identified problems with labour standards in China. The Australian Council of Trade Unions (ACTU) accepted that a developing country may 'enjoy an advantage in labour costs because of the operation of market forces, a lower overall share of wages as a proportion of GDP, fewer on-costs, higher unemployment, and labour oversupply due to population shifts from rural to urban areas'.⁷² It argued, however, that in the case of China:

...there is an additional cost advantage that is not legitimate, namely the reduction in wages and conditions as a result of the denial of the right to organise and bargain collectively in independent trade unions, and the right to legally strike to achieve higher wages and conditions.⁷³

14.65 Ms Tate, ACTU, told the committee:

From a labour rights perspective, there are a number of issues around the very basis of workers being able to be represented genuinely in a workplace

68 See also 'China's deathtrap mines claim 30 more lives', *Australian Financial Review*, 10 June 2005, p. 10. This article notes that unofficial sources suggest that as many as 20,000 miners may have died in industrial accidents in 2004.

69 *Committee Hansard*, 29 June 2005, p. 2.

70 P. Ranald, *Committee Hansard*, 29 June 2005, p. 3.

71 P. Ranald, *Committee Hansard*, 29 June 2005, p. 1.

72 S. Burrow, Australian Council of Trade Unions, *Submission P42*, p. 6.

73 S. Burrow, Australian Council of Trade Unions, *Submission P42*, p. 6.

or through their own independent organisation, to be able to actually develop an organisation that can also represent their interests. You are probably aware that there are a number of independent human rights and labour rights groups in China, but they do not have official endorsement—they would be considered ‘underground’ in that sense. Obviously, many of the very basic, core labour standards that the ILO is built on are not possible in China. We would like to see progress on those issues. For example, very basic issues of safety and fundamental concerns around HIV-AIDS education within workplaces, and other issues of people being able to express basic civil and political rights in China, are things that we consider pretty fundamental to the capacity for workers to be represented effectively.⁷⁴

14.66 She indicated that there were probably weekly protests in China currently about unpaid salaries and unpaid pensions. She argued that in this area the Chinese trade union movement has not been able to effectively intervene or represent people. She noted three areas where there is a lot of social tension—unpaid salaries, unpaid pensions and labour disputes.⁷⁵

14.67 The Australian Manufacturing Workers Union (AMWU) was also highly critical of the failure of the Chinese government to observe and implement workers' rights. It identified 'very poor' occupational health and safety standards and a ban on the formation of independent trade unions. Mr Doug Cameron, National Secretary, AMWU, elaborated:

There is no genuine collective bargaining in China. Its special economic zones are amongst the worst in the world, where predominantly women's labour is massively exploited and prison labour is used to assist their competitiveness in the manufacture of goods. We are currently trying to assess how much of the prison goods are coming into Australia from China at the moment. There is no national minimum wage; the wages are set at the local level. Our information from the ICFTU coming out of both China and Hong Kong is that the minimum wages are regularly not paid. Over a two-year period from 2003 to 2004, there were 32,000 workplace deaths in China. Workers are used as a disposable commodity and as part of their competitive advantage.⁷⁶

14.68 In evidence given to the committee, Mr Cameron mentioned the case of the Ferro Alloy Factory at Liaoyang, which sacked 10,000 workers without paying entitlements. Two workers, Mr Yao Fuxin and Mr Xiao Yunliang, who opposed the sackings were given seven and four years' jail respectively and are now 'seriously ill in Chinese prisons'.⁷⁷ Mr Cameron told the committee that the AMWU has taken up this

74 *Committee Hansard*, 27 June 2005, pp. 74–5.

75 *Committee Hansard*, 27 June 2005, p. 77.

76 *Committee Hansard*, 29 June 2005, p. 76.

77 D. Cameron, *Committee Hansard*, 27 June 2005, p. 76.

issue with the International Metalworkers Federation, but 'not at this stage...with the federal government'. He claimed that Australia must engage China but:

we should never engage on the basis of trying to pretend that this country is some new, vibrant powerhouse of economic growth without understanding what is driving that economic growth. That is the issue that is missing in the debate in this country.⁷⁸

14.69 The AMWU's submission to the committee recommended that the Australian government call for the release of workers in prison in China 'for seeking to exercise their internationally recognised core labour rights'.⁷⁹

14.70 In noting that China has ratified only three of the eight ILO conventions containing core labour standards, the union recommended that 'Australia work through the International Labour Organization and other international bodies to improve the observance of core labour standards of Chinese workers'.⁸⁰

14.71 The trade union movement would like to see the proposed FTA include provisions governing labour standards. Mr Edward Murphy, International Committee Member, ACTU, told the committee that DFAT have indicated that current government policy does not favour having labour standards in the agreement. He stated:

...to be fair to DFAT, on occasions when we have engaged with them about labour standards there has been a suggestion that the government's view is that it is more appropriately dealt with in the ILO—that is true. That does mean that it is important for us a trade union movement, particularly in the absence of government support, to focus on non-government organisation networks to put certain views to trade unions in China and also to have considerable contact with groups in Hong Kong which are focusing on labour standards and civil rights in China. That is an obligation that we do accept.⁸¹

14.72 Indeed, DFAT made clear that the government's position was that the issue of labour standards was not to be addressed in free trade agreements. It told the committee that Australia has an established bilateral human rights dialogue with China where the issue of labour standards is discussed.⁸² According to Ms Morton, at the Human Rights Dialogue in 2004:

we encouraged China to guarantee the right to safe and healthy working conditions and fair remuneration for workers; to enforce safety standards to prevent industrial accidents such as in coalmines; to allow the formation of

78 D. Cameron, *Committee Hansard*, 27 June 2005, p. 78.

79 *Submission P36*, pp. 4 and 25.

80 *Submission P36*, pp. 4 and 25.

81 *Committee Hansard*, 27 June 2005, p. 72.

82 *Committee Hansard*, 16 June 2005, p. 5.

genuinely independent trade unions to help guarantee workers' rights—as an institutional guarantor of human rights; and to allow workers the right to peacefully advocate change and improvements and to protest against unfair working conditions.⁸³

14.73 It also noted that China is a participant in the ILO process so that the Australian government can pursue the issue of labour standards in that context.⁸⁴

Committee view

14.74 The committee believes that a trade agreement would not be the most effective way to ensure that all enterprises in China abide by international labour standards. The issue extends beyond Australian businesses in China and requires multinational cooperation. This does not mean that in consultations with China on the FTA that Australia ignore the matter. The consultation process should indeed provide the opportunity for Australia to express its concerns and urge China to adopt international standards. The committee believes that concerted pressure applied through multilateral fora would be a more productive way of convincing China of the need to improve its record on labour standards. The committee suggests that Australia continue to work through international organisations to persuade China to adopt all of the ILO conventions and to ensure that they are observed.

Labour standards and Australian companies operating in China

14.75 The government should not be the only responsible body advocating adherence to international labour standards in China. Australian companies operating in the Chinese market also have obligations to ensure that their practices accord with agreed international standards.

14.76 A number of witnesses considered that foreign companies operating in China had a responsibility to ensure that they abide by basic labour standards and human rights and environmental protections. They noted, however, the temptation for companies to concentrate on profits at the cost of maintaining recognised labour and environmental standards. Dr Ranald expressed strongly her opinion that at the moment companies are not observing international standards in China. She was of the view that, although some companies have considered these issues, the subcontracting system militates against the observance of such standards because 'it is basically a lowest bid system'.⁸⁵ To her way of thinking, China is 'becoming the focus of a race to the bottom on labour standards':

You have situations where there is no attention paid to health and safety issues like the handling of chemicals and other dangerous substances. Some responsibility for this has to be taken by the transnational corporations that

83 *Committee Hansard*, 16 June 2005, p. 6.

84 *Committee Hansard*, 16 June 2005, p. 6.

85 P. Ranald, *Committee Hansard*, 29 June 2005, pp. 9–10.

conduct this reverse bidding system. They take the lowest bid and then they do not worry about how the factory fulfils that contract.⁸⁶

14.77 She went on to say:

There is a subcontracting system which encourages noncompliance with labour standards so that market forces operate to drive down the price they get for the contracts, and that pressure is put back on the workers to fulfil the contract. The other issue is that many of these workers are migrant workers: they come from other parts of China into these special economic zones, so they are particularly vulnerable to exploitation. They do not have families and communities to support them. Often the factory also supplies their accommodation and meals, so they are completely dependant on that employment in that particular area.⁸⁷

14.78 In turning to the responsibilities of Australian companies operating in China, Ms Tate stated:

That is something that obviously the Australian government and the Australian trade unions need to be aware of and alert to. We do not have a list of specific companies that we have concerns about at this point in time—that is not something that we have had our attention brought to. But in relation to the way in which standards can be promoted through investment by multinational enterprises, and indeed Australian enterprises, we see that there could be opportunities there. We would encourage Australian companies to look at being able to improve conditions for workers in China and respect basic fundamentals in the workplace. That is very important.⁸⁸

14.79 Mr Robert Davis told the committee that the Australian Chamber of Commerce and Industry did not support the view of linking labour standards issues with trade which in its opinion did not work. Even so, he believed that Australian businesses have a role in promoting best practice. He stated that the rule of thumb they use is to 'do abroad what you do at home'. He told the committee:

Business can best help by doing two things: practising abroad what we do at home and just saying no to the worst examples and pointing them out to the Australian government. If you see a bad practice, report it. Do not condone it. Do not participate in it. We cannot say everyone will do that, but the great majority of our members do practise abroad what they practise at home.⁸⁹

He explained further:

86 P. Ranald, *Committee Hansard*, 29 June 2005, pp. 3 and 7.

87 P. Ranald, *Committee Hansard*, 29 June 2005, p. 8.

88 *Committee Hansard*, 27 June 2005, p. 75.

89 *Committee Hansard*, 29 June 2005, p. 27.

How do we go about lifting the human rights standards? As one of my members said—and he was in Taiwan: ‘I just practise the Australian way in Taiwan and, over time, just by that practice, everyone else has been lifted up. I was paying a better than average salary to those who spoke English. There was an incentive for the Taiwanese to learn English and I attracted the best employees, so the local firms had to compete.’ That sort of leadership by practice really worked well. He paid the best wages and he got the best employees and so on.⁹⁰

14.80 The Australia China Business Council stated that it does its best to make Australian businesses in China aware of appropriate labour standards. It gave the example:

Earlier this month our Brisbane chapter and Queensland branch held a seminar entitled ‘Managing risk in China’. They did it in conjunction with Transparency International, a non-profit organisation that looks at business integrity and corruption in other countries. We have this type of collaboration with Transparency International to provide a forum for discussion of business and ethical issues in China.⁹¹

14.81 Dr Ranald wanted stronger measures taken to guarantee that the rights of Chinese workers would be protected. She stated that in the past AFTINET have:

supported the notion of an enforceable code of conduct bill for Australian companies that invest overseas. In other words, if they do not abide by certain minimum standards including labour, health and safety and environmental standards, it should be possible for legal action to be taken against them.⁹²

14.82 Mr Cameron, however, was sceptical about the effectiveness of a code of conduct in enforcing labour standards. He regarded a code as ‘the second-best option after having proper implementation of core labour standards and ILO conventions’.⁹³

Corporate Code of Conduct

14.83 The OECD has formulated guidelines for multinational enterprises that seek ‘to encourage and reinforce the private initiatives for corporate responsibility’.⁹⁴ They provide voluntary principles and standards. The guidelines take the form of recommendations addressed by governments to multinational enterprises and include, *inter alia*, the following principles:

90 *Committee Hansard*, 29 June 2005, pp. 26–27.

91 Australia China Business Council, *Committee Hansard*, 29 June 2005, p. 14.

92 P. Ranald, *Committee Hansard*, 29 June 2005, p. 10.

93 *Committee Hansard*, 29 June 2005, p. 79.

94 Donald Johnston, OECD Secretary-General, ‘Promoting Corporate Responsibility: the OECD Guidelines for Multinational Enterprises’, p. 6.

- respect the human rights of those affected by their activities consistent with the host government's international obligations and commitments; and
- refrain from discriminatory or disciplinary action against employees who make *bona fide* reports to management or, as appropriate, to the competent public authorities, on practices that contravene the law, the guidelines or the enterprise's policies.⁹⁵

14.84 The governments from the 30 OECD members and 9 non-members have adhered to the guidelines. But as can be seen from the principles cited above they are very general in nature and rely heavily for their effectiveness on the laws of the host countries. As noted in chapter 2, the Chinese legal system and culture do not provide a strong basis for compliance with the laws. The legal system is not only complex, multilayered and complicated by interference at the provincial level but Chinese culture in some cases influences the application and enforcement of laws.

14.85 The Brotherhood of Saint Laurence, an Australian community organisation that owns a company which imports optical frames from China has explored ways to give effect to the ILO core labour standards and the OECD Guidelines. It formed the view that the implementation of the OECD Guidelines in non-adhering countries such as China is problematic—'that there are real limitations to the extent to which a small Australian importing company can achieve real change in its supply factories in China'. It cited the Chinese legal system and culture as major impediments and concluded:

Much of the work of attaining, for example, the ILO core labour standards must fall to governments, though there is a role for experienced enterprises and NGOs in advocating the appropriate action.⁹⁶

14.86 Dr Anita Chan, a research fellow in the Contemporary China Centre at the Australian National University, was also of the view that there is room for the international trade union movement to work with China to bring about improvement in the working conditions of Chinese workers. In her view, Australian trade unions, as part of the international movement, have opportunities to become engaged with China.⁹⁷

14.87 Ms Tate noted that the ACTU had been actively promoting the implementation of a corporate code of conduct over a number of years and mentioned that it was to participate in a meeting to be held in China last December which was cancelled. She explained:

95 The OECD Declaration and Decisions on International Investment and Multinational Enterprises: Basic Texts.

96 Serena Lillywhite, Manager, Ethical Business, Brotherhood of St Laurence, Australia, 'Pursuing corporate responsibility in China—experiences of a small enterprise in the optical industry', OECD Roundtable on Corporate Responsibility, OECD Headquarters, Paris, 19 June 2002.

97 Dr Anita Chan, 'Chinese Labour Standards, China's trade union federation, and the question of engagement', Conference Paper, ACTU House, Melbourne, 14–15 February 2005.

It was organised through the OECD and was about the operation of the OECD guidelines on multinational enterprises. Sadly, we feel that that is a lost opportunity both for the Chinese government and for companies operating in China. It was something that both the investment community as well as the international trade union movement was actively a part of. Those kinds of corporate social responsibility discussions are something that we consider very important for progress in China and we believe they cannot be separated from the impact of discussions around trade and investment. We see that core labour standards are key to progress.⁹⁸

14.88 The committee believes that Australian NGOs, in particular trade unions, have a vital role in promoting improved working conditions for Chinese workers. The activities of Australian trade unions in China are discussed in greater detail in chapter 18.

Committee view

14.89 The Australian government, Australian companies and NGOs have a place in encouraging Chinese firms to comply with international labour standards. Their strong advocacy of international labour standards in multilateral fora is important. The Australian government should also take every opportunity, including the negotiations for a FTA, to raise Australia's concerns about violations of human rights and labour standards in China.

14.90 Australian companies and NGOs likewise should be active in promoting human rights and labour standards in China. Through their associations with Chinese organisations and enterprises, they also can influence the Chinese government to adopt and enforce international human rights and labour standards.

Recommendation 20

14.91 The committee recommends that Australia join with other countries that have ratified the International Labour Organization (ILO) conventions to urge China to adopt all the conventions and to improve their observance of core labour standards of Chinese workers.

Recommendation 21

14.92 The committee recommends that the Australian government consult with NGOs and businesses operating in China with a view to formulating a policy on how they could jointly best promote the observance of core labour standards in China.

98 *Committee Hansard*, 27 June 2005, p. 75.

Part IV

Developing broader political, cultural and social links

To this point the report has focused on trade and commercial ties. Numerous witnesses urged the committee, however, to look at China in a much broader light. Mr Richard Tan, President of the Chung Wah Association, told the committee:

With respect to culture and other ties, in talking about the Chinese market we should take note that recent exchanges between Australia and China have been predominantly trade and business related. Few are to do with culture and sports and other things. Even education is now seen purely as an export earner, which is rather alarming. This seems to be an inevitable development but I think it is a situation that we should seek to remedy. Friendship in business is built on mutual profit taking. That friendship is as lasting as the profit margin. Real and genuine friendship can be developed through promoting mutual understanding and appreciation of each other's culture and traditions. Thus, while emphasising economic gains, we should not lose sight of the long-term benefits of exchanges in other areas. I would also like to appeal to the Commonwealth to allocate appropriate funding to promote closer links in the other areas of the arts, sport, and tourism.

(R. Tan, *Committee Hansard*, 1 August 2005, p. 35.)

Part IV of this report goes beyond the economic relationship. It considers China's growing importance to Australia in the political, cultural and social spheres. It explores the links being forged through strategic approaches to education, cultural exchange, engagement with the Chinese-Australian community, political interaction, and science and technology.

