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Submission to Senate Foreign Affairs, Defence and Trade Committee Inquiry into Australia's relationship with China

I would like to take this opportunity to ask that the Committee take a sceptical view of any alleged benefits either to Australia or its region from a 'Free Trade Agreement' with the People's Republic of China.

Like the AUSFTA concluded with the United States of America, such an agreement should more properly be termed a Preferential Trade Agreement. As such it is likely to impact negatively on countries against which the preference is directed, most notably those of the Pacific that are the primary recipients of Australia's foreign aid. If Australia wishes to help countries such as Papua New Guinea and the Pacific Island States develop their economies, it should consider the impact on those countries of its trade policy. Furthermore at a time when reform of the United Nations is on the agenda, including the nature and volume of development assistance, it would be inopportune for Australia to make policy decisions that pre-empt the outcome of such reform.

Given that there is no consensus on the likely outcome of bilateral trade agreements, it would be prudent for any further such agreements to be postponed until the effects of the AUSFTA have been properly analysed.

While the People's Republic of China has made enormous economic progress, its record on human rights has been of great concern to Australians. It would be a mistake for Australia to be seen to condone human rights abuses by concluding a trade agreement that does not address issues of particular concern including labour rights and freedom of association. Australia risks eroding its authority to speak on human rights if it ignores them in its trade policy.

Australia and many countries in the Pacific region enjoy good relations with Taiwan. It is one thing to refrain from taking a stance on Taiwan declaring itself independent; it is quite another actively to give trade preference to the PRC and not to Taiwan.

For these reasons amongst others, I would urge the Senate Committee to recommend that Australia work towards a multilateral trade and development policy that seeks to work for the well-being of people everywhere, but most particularly with regard to the quality of life of the poorest people in our region. A bilateral trade agreement with the PRC would not be conducive to the development of such a policy.