

# **Annual Report**

**2013**

**November 2013**

## Executive Summary

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2013 is the fifth year of the working of the China Centre. This annual report takes the opportunity to give an overview of the work of the Centre over the past 5 years, its main programmes and activities, what it has achieved against the established vision and purpose of the Centre, and presents some areas to consider for the Centre to move forward.

The Centre has completed this year's work as planned at the end of last year, with the exception of the China-Pacific conference and the academic roundtable along with the NZ Asian Studies Society conference. This year, our work has been involved much more than before in the space of public policy on China and New Zealand-China relations. Our annual Wellington conference on contemporary China and China Business Symposium have continued to expand and established themselves as two high-impact events in New Zealand-China relations that drive international research interests and activities and bring knowledge and analysis to different stakeholders on China and NZ-China relations in NZ. The Centre has been particularly active in providing policy analysis, participating and making important contributions to national policy discussion and consultation on China, and to participating and contributing to activities and programmes in NZ's China relations.

An essential part of the purpose and strategic vision we set for the China Centre five years ago was to develop national research capacity to provide knowledge and policy analysis on contemporary China, to facilitate knowledge transfer, capability building and skill development for effective engagement with China, and to advance China studies and make it more relevant and able to contribute to the economic and social development of NZ and to support NZ international interests and needs. Five years on, we have established the Centre as a focal point in NZ where nation-wide research capacity and interests on China gather and international scholarship on China interacts with NZ scholars, policymakers, and the private sector. We have established ourselves as a respected provider of knowledge, research and policy analysis and a platform for policy discussion, information, networks and access for China related interests and pursuits.

There are areas where more could have been done or more effectively pursued. Nation-wide research capacity can be better mobilized, organized and further developed to provide more substantive knowledge and policy analysis to meet the broad and growing interests and needs of society on a wide range of issues and challenges facing the nation in relations with China. Different forms of

research and analysis dissemination and knowledge transfer are needed for more effective engagement and outreach of the Centre, including regular publication of China papers, policy analysis, development of industry specific databases, and capability building and executive training programmes. Under the current funding and resource levels, we are not able to do all of these.

Xiaoming Huang

Director

19 November, 2013

## 1. 2013 in Review

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The Centre has completed this year's work as planned at the end of last year, with the exception of the China-Pacific conference and the academic roundtable along with the NZ Asian Studies Society. This year, our work has been involved much more than before in the public policy space on China and New Zealand-China relations. Our annual Wellington Conference on Contemporary China and the China Business Symposium have continued to expand and established themselves as two high-impact events in New Zealand-China relations that drive international research interests and activities and bring knowledge and analysis to different stakeholders in NZ on China and NZ-China relations. The Centre has been particularly active in providing policy analysis, participating and making important contributions to national policy debate and consultation on China, and to activities and programmes in NZ's China relations.

### 1. China Business Symposium

This year was the Third China Business Symposium. As in the past, this year's event continued to attract high levels of interest and participation from the NZ business community, national and international scholars. This year's programme formally extended its partnership to include the NZ Asia Institute of the University of Auckland to cohost and organize the event. Also new this year, the programme extended to Wellington with two events of the same symposium in two different locations. This allowed better use of resources and people, and had a broader impact. The Symposium in Wellington was in partnership with the Wellington City Council.

Business China Symposium 2013: "Successful Market Entry Strategies in China. Academic Research Matched by Practical Business Experience" (25 July, 2013, Auckland with UoA Asia Institute and NZCTA).

The symposium was organized by the New Zealand Contemporary China Research Centre, the New Zealand China Trade Association, and the New Zealand Asia Institute of The University of Auckland. This one-day symposium provided a deeper understanding of business opportunities with China and also discussed the strategic options for entering this huge consumer and business market. The Symposium was led by academics from the United States, China and New Zealand in collaboration with business practitioners to provide opportunity to businesses, academic researchers and research students to obtain practical strategy insights and knowledge of issues and updated academic research around market entry and market development in China.

Business China Symposium 2013: "Improving China Business Strategy" (30 July, 2013, Wellington, with the Wellington City Council and the Victoria Business School).

The symposium was a joint initiative of Victoria University of Wellington (Victoria Business School), the Wellington City Council, and the New Zealand Contemporary China Research Centre. This event offered Wellington's perspective on business with China and provided a unique opportunity to hear from two distinguished China business experts visiting Wellington, Associate Professor Yuhuang Zheng (Tsinghua University, Beijing) and Patrick Chovanec (Managing Director and Chief Strategist at Silvercrest Asset Management, New York) who gave keynote speeches at the event. Both speakers are highly experienced in teaching executive training programmes and providing consulting advice for high-profile firms in China and the US.

## 2. The Wellington Conference on Contemporary China 2013

This year's Wellington Conference focused on the dynamics and structure of Chinese economic growth and development, the impact of the internationalization of the Chinese economy on the world economy and the shifting dynamics and structure of the world economic system. With the significant high-level interest and activities in New Zealand on China relations and China policy this year, the conference attracted significantly greater interest and participation from the public sector, private sector and academics from around New Zealand. The theme of the conference was also designed to meet the interests and needs of society in understanding the dynamics and the driving forces of Chinese economy and the implications of that for countries such as New Zealand. This year's conference also had speakers not only from the international academic community on China and the Chinese economy, including leading scholars of Chinese economy from the United States and Australia, but also scholars and policy analysts from key national research institutions in China, think tanks, and government research organizations. This is a direction the future Wellington conference can pursue: not only bringing international scholarship to New Zealand but also people with knowledge, information and access that have direct bearing on China relations and China policy in New Zealand.

## 3. China Centre Discussion Paper

The plan late last year was to devote some research resources to New Zealand-China economic relations. Due to significant interest, this evolved into a major project on the effects of the economic rise of China on New Zealand. This project coincided with the government's larger and higher level China project on assessment and scenario analysis of China's long-term economic and political development in the next 30-year period and the implications for New Zealand and New Zealand's response, and complimented the government's project well. The China Centre's project took a collaborative approach to the project and was advised by senior researchers, policy analysts and other interested parties. It went through two rounds of drafts, feedback and input on three major issues, China's domestic economic development, the impact on the world economy and implications for New Zealand. The launch of the discussion paper coming out of the project in August turned out to be a major gathering of China hands in the capital. The paper became the first one in the new publication series, China Centre Discussion Papers.

#### 4. Chinese Soft Power Workshop

The workshop was jointly sponsored by the China Centre and the Australian Centre on China in the World and organized by Otago University. The workshop looked at the problem of Chinese soft power, a research area that the China Centre has not invested in before. It brought in a good contingent from the Australian Centre for China in the World and set a model for a formal partnership between NZCCRC and ACCIW.

#### 5. Rural China, Foreign Direct Investment, Fonterra

This year the China Centre collaborated with the Rural Economic Institute at Hebei Academy of Social Sciences (HASS) on a half-day symposium on New Zealand and Chinese rural development following the signing of a research agreement with HASS. The symposium followed collaborative field research on the opportunities and impact of New Zealand agribusiness investment in Hebei province with particular focus on Fonterra's farms in Yutian. The symposium attracted lively debate and interest in New Zealand's agricultural practices, governing institutions and reforms amongst some of China's leading agricultural economists.

#### 6. Events and Activities on China and New Zealand China Relations

##### *Public Lectures*

"China and the World," by Vice Minister Liu Jieyi, Chinese Ministry of Foreign Affairs, International Department, Central Committee, Communist Party of China, in partnership with NZIIA and CSS, (7 March, 2013).

"The rise of China: Implications for New Zealand and Australia" by Professor Hugh White, Australia National University (1 August, 2013).

"China, India and Asian Regionalism - A Historical Perspective on the Present," Professor Prasenjit Duara, Director of Asian Institute, National University of Singapore (9 May, 2013).

##### *Fellowships and Visitors*

Chris Elder, New Zealand Ministry of Foreign Affairs and Trade, Visiting Period 18 November 2012 - 28 February 2013, sponsored by MFAT. Research Project: "40 years of NZ-China Relations" which led to the publication of the proceedings of the two symposia the China Centre held last year in Wellington and Beijing marking the 40 year anniversary of the NZ-China diplomatic relations.

Professor Prasenjit Duara, National University of Singapore, Visiting Period: 21 April - 20 May 2013. In partnership with the NZ India Institute. Research Project: Transcendence in a Secular World: Global Modernity and the non-Abrahamic Traditions of Asia.

Associate Professor Ziheng Zhou, Institute of Finance and Banking, Chinese Academy of Social Sciences. Visiting Period: October to November 2013. Research Project: An Insight into the China-NZ Currency and Trade Relationship.

Professor Lei Shang, China University of Political Science and Law.

Visiting Period: October to December 2013. Research Project: Comparative study about the differentiation of the sociocultural factors in socialization.

Dongkun Li, Southwestern University of Finance and Economics.

Visiting Period: September 2013 to September 2014. Research Project: The Influences of Chinese OFDI on Home and Host Countries.

### *Seminars and Roundtables*

“Shame on those who wallow in luxury, extravagance, pleasures and leisure: President Hu Jintao’s Crusade against Consumerism” by Dr Thomas Boutonnet, Department of Chinese Studies of the University of Strasbourg, Thursday, 4 August.

Roundtables on Chinese businesses in NZ with Chinese enterprises doing business in New Zealand, in partnership with ANZ (25 March, 2013)

Roundtable on China’s Tibet policy with visiting delegation of Chinese Tibetan scholars (16 April, 2013)

Roundtable on NZ-China agribusiness with visiting delegation of HASS led by President (17 May, 2013)

Roundtable on NZ and China in the Asia Pacific, with visiting delegation of the Asian Pacific Development Centre of Ministry of Finance of China, in partnership with the Centre for Strategic Studies (18 July 2013).

Roundtable on China studies in New Zealand, with visiting delegation of the Centre for Contemporary China Studies of the Chinese Academy of Social Sciences (6 September 2013).

Roundtable on Chins studies in NZ with visiting delegation of CASS Publishing House (16 September 2013),

“Building trade infrastructure with China and Asia-Pacific countries: VAT/GST challenges for businesses, governments and researchers” by Associate Professor David White. Victoria Business School, VUW ( 6th September, 2013).

### **7. Other projects**

China and Pacific Nations Conference – partners and theme designed, in preparation for August 2014.

NOSAIC – Completion of Database resources, currently seeking a viable system of publication online.

## 2. Five Years of the China Centre

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The essential part of the purpose and strategic vision set for the China Centre five years ago was to develop national research capacity to provide knowledge and policy analysis on contemporary China, facilitate knowledge transfer, capability building and skill development for effective engagement with China, and to advance China studies and make them relevant and better able to contribute to the economic and social development of NZ and NZ international interests and needs. Five years on, we have established the Centre as a focal point in NZ where nation-wide research capacity and interests on China gather, international scholarship on China interact with NZ scholars, policymakers and the private sector. We have established ourselves as a respected provider of knowledge, research and policy analysis and a platform for policy discussion, information, networks and access for China related interests and pursuits. We have made great contributions to advancing China studies at universities and bringing international scholarship to New Zealand, particularly through research collaboration and exchange with Chinese research organizations and think tanks.

### 1. A National Focal Point for Nation-wide Research Capacity, Resources and Networks on Contemporary China

The China Centre was established with an aim to build itself as a national research organization on contemporary China. The initial TEC grant stipulated such a vision and purpose for the China Centre. We named the China Centre as the New Zealand Contemporary China Research Centre to reflect this goal and more substantively, we have endeavoured to engage all NZ universities in the China Centre framework. We have designed and developed five research clusters led by senior academics and researchers at the partner universities: political economy; business and marketing; international policy and relations; law and legal issues; and, society and culture of contemporary China. We have designed and developed the Wellington Conference on Contemporary China and the National Business Symposium as key platforms for gathering, networking and research projects by scholars at the NZ partner universities.

We have achieved the goal of the China Centre to emerge as a national leader in research and analysis on contemporary China through our programmes and activities and the way we organize them. We have researchers involved in our programmes and activities from all universities in New Zealand. The formal partner universities have expanded from the initial three, Victoria, Otago, and Canterbury, to now include 6, with the addition of AUT, Waikato, and Auckland. We have worked on joint projects with the University of Auckland (the China Business Symposium, the China Japan project, and Asia Information Service Database ), the University of Canterbury (the China India Project), and the University of Otago (China and the International System Project, and the Soft Power Project). The research programme has developed more on the political economy, business and marketing, politics and international relations than on society and culture, and the law and legal system of China.



The efforts to build a national research organization have been built largely through inter-University partnerships. However, the people and activities expected from the partnerships are not funded/resourced and the partnerships have largely relied on one or two people from each partner University to represent the partner University to the Centre and at the same time to organize research projects and activities at the partner university. One way to move beyond what we have achieved in this regard is to build more substance into the institutional partnerships. We have research clusters and networks of researchers identified, but it would be more effective if we have actual research projects in place, led by and carried out by researchers at the partner universities, funded and organized through the China Centre's research programme, and in line with the overall strategic purpose and mission of the China Centre.

## 2. A Platform for Knowledge Transfer, Research and Policy Analysis Provision, and Public Policy Discussion and Debate across Sectors

The China Centre was established with a slightly unique purpose. Conventional research organizations focus predominantly on research and publication of their research in the best possible journals in their discipline. An added, but important purpose of the China Centre is to bring our research and knowledge to face the reality of social and economic development in New Zealand, and to meet the interests and needs of New Zealand society. The stakeholders interested in or with a stake in the work we do, the knowledge, research and policy analysis and relations, resources and networks that we generate on understanding China and on shaping New Zealand-China relations and policy are a disperse group including: academia; the private sector including different industries and sectors with trade and business relationships with China; public sector organizations in different issue and policy areas (MFAT, NZTE, Economic Development, Treasury, Education); the general NZ public; and international scholars and the international policy community, particularly those in China, United States and Australia. Our research dissemination, knowledge transfer and engagement with the public sector, the private sector and the general public on China issues, relations and policy, therefore, have taken a variety of forms.

The annual Wellington conferences on contemporary China and the research projects organized around them are aimed at facilitating scholarship and knowledge on contemporary China in New Zealand. Over the past five years we have published five books by leading international publishers out of the research projects and conferences organized around them. The conferences and related research projects do not bring in revenue; and in part they are not designed to. We have secured partnership for the events for many of them that have reduced the costs of their organization, usually to half of the full cost. Sponsorship from public sector organizations comes in on sponsoring individual speakers and specific activities and events.

The annual national business symposia are designed to provide a platform for interaction between academics and practitioners in practical knowledge, information, networks and resources on NZ business and marketing in China and in particular are designed to meet the needs of industrial sectors and issue areas in

trade, investment and people movement relations between New Zealand and China. The symposia have been largely focused on NZ business and marketing in China. Increasingly we see interest and demands in Chinese business and marketing in NZ as Chinese trade, investment and people's movement in and with New Zealand grows. The symposia do not lead to publication of the content and contributions. Knowledge transfer in this area is mainly in the form of exchange and sharing of practical experience in doing business and marketing with China, research on key issues in international business and marketing in China, and information, networking and access. This project has brought revenue to the China Centre. It is a model of a research institution being able to support its programme and activities. It is also desirable that we can publish proceedings of the symposium in some form, hardcopy or web content, as a China Business Series.

The China Centre has another category of symposium, the public policy and engagement symposium. These are usually on a particularly timely public policy issue related to China and usually bring scholars and policy analysts together from different sectors and different countries. We hosted symposia on NZ, Australia and China, the South Pacific, and the 40<sup>th</sup> Anniversary of NZ-China relations in both Wellington and Beijing. These symposia provide opportunities for us to engage with other NZ and international research institutions and public policy organizations and think tanks, such as NZIIA, CSS NZII, NZAI, OFS, as well as the CIW, the Lowy Institute and CASS. For many of these symposiums, we publish proceedings from the events for broad policy community and general public consumption. We envision publishing the proceedings in this category in timely and easy access content as real event videos. This, along with other projects that require web technology forms of content distribution, has turned out to be the most difficult part of transforming our research, programmes and activities into an accessible form for public consumption. They require in-house research editing and publishing capacity which we currently do not possess, as well as advanced level IT support which is provided through Victoria University system.

We have envisioned some conventional forms of research provision as key forms of publishing our research and policy analysis. The China Papers series has a total of nearly 40 published issues. This is a more intermediate form of scholarly publication, including working papers by researchers associated with the Centre who publish their work before formal publication in their discipline/profession. We designed the China Papers to be published in electronic form and available on our website. Another series, the China Centre Discussion Papers, has just started recently, with the latest issue this year on China and the World Economy: Opportunities and Challenges for New Zealand. These Discussion Papers provide policy analysis and contribution to public policy discussion and debate on significant issues on China and New Zealand-China relations and policy. These are published and available in hardcopy and electronic form.

Another category of our work for knowledge transfer, capability building and skill development is the National System of Access to Information on China (NOSAIC). This was designed as a project to build a database for publications and analysis and documents published in New Zealand which will be accessible for researchers and analysis on the Centre's website. The research and data part of the work has been

long completed. The efforts to turn that into a functional and accessible database on the website encountered enormous problems and difficulties. This is a significant issue that affects the Centre's strategy of "economically and effectively" making our research and policy analysis as well as events and activities timely and conveniently available for the public and stakeholders in dynamic, electronic forms on the Centre's webpage. This strategy seeks to take full advantage of our Internet presence and the IT technology of today by utilizing the resources available within the structure of the facilities we have through the host university. In this project, we have been pushed to a situation where we will have to cost, finance, and administer these databases ourselves. We are not equipped at the current level of resources and support to meet this challenge. This project has therefore stalled.

The Centre also has a project to build a database of information on business, marketing and investment in NZ-China economic relations and we aimed this to be a consultancy and business project that will work commercially. We explored this with VUW library, Victoria Business School and NZCTA as a joint project. But the initial investment in this project was not secured and the project has not developed further. In both this and the NOSAIC project, we explored partnership with the Asia Institute of the University of Auckland as the China part of their Asian Information System but we do not appear to have the same level of support of the ITS, the library, and the business school that has facilitated the Asian Information System.

The China Centre has made significant efforts early on to develop executive training and capacity building programmes for the private sector and public sector organizations for effective engagement with China. We have developed potential with CELAP (China Executive Leadership Academy, Pudong) to set up executive training programmes for senior Chinese public servants. The New Zealand Centres we helped set up at Xiamen University and CUPL (China University of Political Science and Law) all had the interest and capacity to provide partnership in joint public servant training programmes for Chinese senior public servants. We have worked with the School of Government at Victoria University to develop relations with the National Academy of Governance of China, CUPL, for executive training programmes for public servants and judges. The China Center worked with the Commerce Faculty at Victoria University to develop business training and skill development programmes. Associate Professor Val Lindsey and Dr Hongzhi Gao led a bid to NZTE for a national business executive training programme in 2009. None of these have turned into actual knowledge transfer and capability building programmes. We did have the intention and made good efforts to develop our work in that direction. Future developments in this area would require strategic thinking in terms of whether this is the space the China Centre wants to develop into; and whether we have the resources and capacity to do this.

### 3. A National Research Centre for advancing China studies in New Zealand

A key mission of the China Centre, as intended in the TEC initial establishment grant, is to advance China studies at New Zealand Universities. The China Centre has organized networks of China scholars in the partner university and in disciplinary areas. The China Centre's programmes and projects have generated great interest and capacity in research on China in the social sciences, humanities,

law, economics and business across NZ universities. This gives a great sense of the academics working on China being in a field of research, teaching and study across NZ universities. Much of the advance in China studies has developed at individual universities. Universities hire more academics on China in major social science discipline areas. Large numbers of postgraduate students do their postgraduate work on China or China related topics. Schools offer a greater number of courses at upper undergraduate and Honours levels on China across major disciplines. All universities have substantive partnerships with Chinese universities on student exchange, short courses, and research collaboration, and special degree programmes.

Advances in China studies and China related academic activities and programmes have resulted largely from the strategic efforts at individual universities and the growing interest and demand in NZ society for China knowledge. The China Centre's work contributed to the development of the national environment in favour of great support for China studies and providing greater opportunities for those associated with China studies – students, lecturers and researchers. The China Centre can do more in facilitating the development of China studies at NZ universities by bringing China researchers across NZ universities closer with more substantive research activities and interaction, engaging postgraduate students into China studies with support beyond the normal process and procedures of the individual universities, providing more effective partnerships with Chinese universities and research organizations and make them accessible to researchers, lecturers and postgraduate students across NZ universities.

These three areas of the Centre's work (national research capacity, knowledge transfer and China studies), its programmes, projects and activities, what we have achieved and what we haven't, and what our strengths are and what our shortcomings are have shaped a unique model of a university research Centre in the social sciences today: a research centre that builds research capacity in the social sciences, humanities, law and commerce, to bring research capacity in different universities and disciplines to focus on a single country, and to provide research and policy analysis on contemporary issues of a single country that are relevant and important to the needs and interests of New Zealand, to become a key contributor to public policy discussion at the national level, and to do this on a very moderate level of funding and resources. This model of research centre is significant not only for the NZ education sector and the strategic direction of the organization of university research, but also significant for the international community of China studies: how we organize single country research across social science disciplines and through national, multi-institutional partnership, and how we connect our university research to the political and economic reality of the country.

One key aspect of this model is that we have still not settled on a clear and sustainable business model for what we do or what we are mandated to do. Many of the areas and projects that we have not successfully done well as reported in previous section relate to resource constraints. These are areas that we could have done more, and more effectively. Nation-wide research capacity can be better mobilized, organized and further developed to provide more substantive

knowledge and policy analysis to meet the broad, growing interests and needs of society on a wide range of issues and challenges facing the nation in relations with China. More different forms of research and analysis dissemination and knowledge transfer are needed for more effective engagement and outreach of the Centre, including regular publication of China papers, policy analysis, development of industry specific databases, and capability building and executive training programmes. Under the current funding and resource levels, we are not able to do all of these. The CoRE that we are working on, if successful, would be able to provide resources, partnership arrangements, operating structure and research focus to enable the Centre to develop further.