



THE UNIVERSITY  
OF AUCKLAND

BUSINESS SCHOOL

# New Zealand Asia Institute Te Roopu Aotearoa Ahia

Annual Report for 2008-09



# ANNUAL REPORT The New Zealand Asia Institute

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# ANNUAL REPORT The New Zealand Asia Institute



Pictured: (from left) Dr Gloria Ge, Dr Xin Chen, Charles Chow, Dinah Towle, Emeritus Professor Nicholas Tarling and Professor Hugh Whittaker

The New Zealand Asia Institute seeks to develop graduates, knowledge and ideas that enhance New Zealand's understanding of, and ability to engage productively with, Asia.

## Acknowledgements

The New Zealand Asia Institute (NZAI) acknowledges with gratitude the generous financial support from the Japan Foundation, the Korea Foundation, the Asia:NZ Foundation, and the Ministry of Foreign Affairs and Trade, without which the successful completion of the 2008-09 research projects would not have been possible.

The Institute would also like to thank the following institutional collaborators for their co-operation and support for the activities of the Institute in 2008 and 2009: The Asia:NZ Foundation, the Ministry of Foreign Affairs and Trade, the Indonesian Embassy in Wellington, the Pakistan High Commission in Wellington, the Japanese Consulate-General in Auckland, the New Zealand Institute of International Affairs (Auckland branch), the Chinese New Settlers Services Trust in Auckland, Souphanouvong University in Lao PDR, and Chiang Mai University in Thailand.

Within The University of Auckland, the Institute would like to thank the School of Asian Studies, Centre for Development Studies, Department of Political Studies, New Zealand APEC Studies Centre, and especially The University of Auckland Business School.

The Institute is grateful for the administrative and web services support provided by both the Faculty of Arts and the Business School.

The Institute wishes to thank members of the Advisory Board for providing guidance and advice in the Institute's strategic and institutional development.

Finally, the Institute would like to thank Professor Yongjin Zhang for his valuable contribution to its development during his tenure as Director from February 2006 to July 2008, when he moved to the University of Bristol.

# Overview:

The most significant strategic and institutional development concerning the New Zealand Asia Institute in 2008-09 was its relocation in The University of Auckland Business School, both physically and administratively. This move did not change the Institute's core objectives which, since it was founded in 1995, have been:

- To uphold Auckland's leading national role in the study of Asia.
- To strengthen interdisciplinary and inter-faculty co-operation in order to ensure interested students in all academic fields have access to Asia-related courses.
- To help establish and consolidate relationships between Auckland and universities, research institutes, scholars, business, and political leaders in Asian countries.
- To maximise the University's location in New Zealand's largest city with its many commercial links to Asia.
- To broker the University's Asian expertise in policy advice and case-study analyses to Government departments and the private sector.

- To build a core of specialists on New Zealand-Asia issues and to provide a forum for informed and forward-looking discussions on what is happening in Asia and its implications for New Zealand.
- To promote knowledge of Asia in New Zealand, especially in schools, the media and business.
- To involve the increasing Asian population both in the University and the city.

At the same time, the repositioning is of strategic importance as it adds a research focus on the economic and business dimensions of New Zealand's engagement with Asia. It also allows the Institute to enrich and enhance its research portfolio with more programmatic projects, which will more effectively engage targeted groups in the public. The Institute, as a result, should be better enabled to serve as a focal point for the development of a nexus of multidisciplinary activities that will involve research teams and postgraduate students.

To help encourage and support the participation of more postgraduate students in the Institute's research programme, the

Business School in 2009 designated NZAI to host and administer its Barry Spicer and Owen Glenn PhD Scholarship and the MSA Charitable Trust PhD Scholarship. The first successful applicant for the Spicer/Glenn Scholarship was Mr Henry Shi, whose PhD research focuses on entrepreneurship in Chinese family businesses. He is expected to liaise between the Institute and interested postgraduate students in the Business School and beyond.

With its relocation and with the former Director, Professor Yongjin Zhang, taking up a new position in Bristol, the Institute correspondingly experienced some personnel changes. Professor Hugh Whittaker, Head of the Department of Management and International Business (MIB), was appointed to the Director position in early 2009. At the same time, Dr Gloria Ge, Senior Lecturer from MIB, took up the Associate Director's portfolio. Dr Xin Chen remained the Research Fellow and the Programme Officer. In late November 2009, the Institute welcomed Ms Dinah Towle as its new Office Manager, and Mr Charles Chow became the Asia Network Advisor. This staff complement of five continued to be supported by Institute Fellow Emeritus Professor Nicholas Tarling.



# Highlights:

## [International symposium on regional trade architecture in East Asia](#)

In association with the Business School and the APEC Study Centre, the Institute hosted an international symposium from 1 to 4 April 2008 at The University of Auckland on issues related to the emerging East Asian trade architecture and implications for New Zealand. The symposium was financially supported by the Seriously Asia programme and the Asia:NZ Foundation.

## [NZAI hosts international conference in Luang Prabang, Laos](#)

The Institute initiated a joint research venture on the Mekong sub-regional economic growth and identity formation with the Souphanouvong University in Lao PDR and the Greater Mekong Sub-region Studies Centre at Chiang Mai University in mid-2007. A research team of 14 from Asia and New Zealand was assembled and carried out case studies of Thailand, Myanmar, Vietnam, Lao PDR, Cambodia and China. The central theme was how economic development programmes in the region impacted regional confidence and community building. With the support of the Japan Foundation, the research findings were presented at a conference held from 6 to 7 February 2009 at Souphanouvong University.

## [New Director appointed](#)

In March 2009, Professor Hugh Whittaker was appointed the Director of the Institute. This position had been vacant since July 2008, when the then Director, Professor Yongjin Zhang, was reluctantly farewelled as he took up a new position in the University of Bristol. Professor Whittaker has extensive

teaching and research experience in Asia and other parts of the world. At The University of Auckland, he also serves as the Head of the Department of Management and International Business.

## [Relocation to Business School](#)

In April 2009, the Institute was relocated to its new administrative and physical premise in The University of Auckland Business School. It was soon neighboured by the New Zealand APEC Studies Centre, the Confucius Institute, the Dame Mira Szászy Research Centre for Māori and Pacific Economic Development, the Europe Institute, and the New Zealand Centre for Latin American Studies. Located in close proximity, these institutions with different, but mutually relevant, missions and objectives are expected to form an interdisciplinary research cluster to inspire and attract joint research and development ventures across the broad community of academia, government, industries and the public.

## [First Spicer/Glenn PhD scholar](#)

The first successful applicant for the Barry Spicer and Owen Glenn PhD Scholarship administered by the Institute was announced in August 2009. The winner, Mr Henry Shi from Management and International Business, will help the Institute liaise with interested postgraduate students for their greater involvement in its research programme.

## [Roundtable with ASEAN Secretary General, H.E. Dr Surin Pitsuwan](#)

On 10 September 2009, the Institute hosted a roundtable, where Dr Surin and a dozen scholars and students from Auckland discussed

the future of ASEAN, its role in the evolving integration in East Asia, and New Zealand-ASEAN relations.

## [Updated Core Research Programme announced](#)

With its relocation and rebranding, the Institute updated its policy-oriented research programme to include empirical studies on New Zealand's business engagement with Asia. The resulting NZAI Core Research Programme was announced in October 2009. Of the three broad streams – New Zealand's business engagement with Asia; multilateral engagement and community building in Asia-Pacific; and economic, social and political development in Asia – two new projects were started in the first. These are Engaging with Asia: A study of leading NZ companies and Engaging with Asia: A study of growing SMEs. The Institute also supported an inter-faculty initiative on Identity and opportunity: New Zealand's Chinese and Indian communities then and now. All three projects will involve academics and PhD students from the Institute, the Business School and other faculties.

## [NZAI and The University of Auckland Library jointly building New Zealand Asia Information Service database \(NZAIS\)](#)

The Institute and The University of Auckland Library launched a joint project in November 2009 to develop an information database on Asia and New Zealand-Asia engagement. This research tool is intended for use in academic study, public policy development, business decision-making, and general knowledge sharing attempts. It is planned to be up and running by March to April 2010.



# Programme of Activities:

The Institute went through a major administrative and personnel reshuffle in 2008-09. Yet it maintained a comprehensive programme of research projects, seminars, roundtables, and community-outreach activities. These events were consonant with the Institute's programmatic mandate and objectives of contributing to Asia-related policy deliberations in New Zealand, developing an inter-disciplinary research agenda of national relevance, enhancing the Institute's national and international collaborative relationships, projecting The University of Auckland's profile in Asia as the nation's leading university, and advancing the national knowledge base on the region. As always, these events were also organised and hosted in collaboration with local, national and international partners whenever possible.

## Research

### [Engaging with Asia: A study of leading New Zealand companies](#)

Commenced in October 2009, this ongoing project identifies characteristics of New Zealand company engagement with Asia, especially those which lead to more or less successful engagement. The focus is on strategy and locational decisions, corporate governance and ownership, management control systems, and management and employee development. The study is interview-based, supported by published and non-published written material, statistics and secondary analysis. It looks at 50 leading New Zealand companies in food and food processing, 'resources', nutraceuticals, IT and software, machinery and equipment, logistics, and consulting services, which are important sectors for the New Zealand economy. Successful engagement is seen as the contribution of Asia-related business to company or group turnover and profits, and growth in Asia-related business.

### [Engaging with Asia: A study of growing SMEs](#)

Also launched in October 2009, this project complements the leading business project by focusing on smaller businesses (under 100 employees/\$100 million turnover), which numerically make up the vast majority of New Zealand businesses, but which often have difficulty engaging with overseas markets or value chain activities. The study is interview-based, but also draws on a large-scale international comparative survey, as well as other material. It focuses on entrepreneur/top team competencies and

business orientations, networks, competitive orientations and growth limitations, and organisational development. It looks at 50 businesses in food and food processing, nutraceuticals, IT and software, machinery and equipment, and creative media. Successful engagement is likewise seen as the contribution of Asia-related business to company or group turnover and profits, and growth in Asia-related business.

### [Identity and opportunity: New Zealand's Chinese and Indian communities then and now](#)

Initiated in November 2009, this multi-disciplinary research project examines the many aspects of the historical and contemporary diasporas. Longitudinally, it examines the classic push and pull factors to compare the economic, social and political environment which New Zealand offered to the Chinese and Indian migrant workers of the late nineteenth century to those which are attracting the highly-skilled and business-minded Asian migrants today. Horizontally, studies can be made between the two community groups to investigate their similarities and differences. For example, factors enabling both groups to flourish in small family businesses in the same restricted niche markets (eg, market gardening, fruit shops, dairies, restaurants) without outright rival competition, and the comparative experiences of these two communities in terms of economic, social, cultural, physical and mental wellbeing. These new migrants also operate at other levels within the New Zealand economy, and the project investigates whether the transnational movement of the highly skilled has led to the transfer of international capital from the source countries in modern times, as well as the facilitation of commerce and cross-border innovation networks.

### [New Zealand Asia Information Service database](#)

In November 2009, the Institute and The University of Auckland Library finalised a joint project to create a research database for use by academic staff and students, and organisations involved with business, trading, social and cultural exchange with Asia, or other researchers for the purposes of reference, research and analysis. The database is expected to contain primarily New Zealand material covering social, economic, cultural and business aspects of New Zealand's engagement with Asia. Additionally, however, the inclusion of relevant international sources was also

intended to enhance the depth of content in the resource to assist in promoting ties with Asia. Sources include websites, books, reports, working papers, theses, and newspaper and journal articles, with some multimedia materials. Chinese, Japanese and Korean language material will also be available with automatic translators. When activated, in March 2010, the New Zealand Asia Information Service (NZAIS) database will be freely available to the general public.

## Conferences

### [Towards an emerging regional trade architecture: Contending views, divergent perspectives and policy implications](#)

New trade arrangements are evolving in East Asia that will profoundly affect the future outlook for New Zealand's trade in the region. In addition to the explosion of bilateral free trade agreements in the aftermath of the 1997-98 financial crisis, a number of competing proposals are on the table for East Asian "trade blocs". China, Japan, Korea and the ASEAN countries are key players in these developments. Understanding the main trends of their policy thinking is important for assessing likely outcomes and ways for New Zealand to respond.

In association with the Business School and the APEC Study Centre, the Institute hosted a symposium in Auckland from 1 to 2 April 2008 on the emerging regional trade architecture in East Asia. The forum was financially supported by the Seriously Asia programme and the Asia:NZ Foundation, and was intended to update the policy, business and academic communities in New Zealand on the debates within East Asia about possible pathways to an eventual regional economic community. The symposium brought to New Zealand four prominent speakers from China, Japan, Singapore and Indonesia. They had each played a leading role in shaping policy views in their respective countries and in East Asia on the design of potential regional "trade blocks". They were Professor Zhang Yunling, Director of the Division of International Studies at the Chinese Academy of Social Sciences, Professor Masahiro Kawai, Dean of the Asian Development Bank Institute (Tokyo), Professor Chia Siow Yue, Senior Research Fellow at the Singapore Institute of International Affairs, and Mr Mahendra Siregar, Deputy Minister of the Indonesian Co-ordinating Ministry for Economic Affairs.



Front (from left): Professor Yongjin Zhang, Professor Rob Scollay, Professor Chia Siow Yue, Professor Gary Hawke. Back (from left): Professor Zhang Yunling, Professor Masahiro Kawai, Professor Hugh Whittaker, Mr Mahendra Siregar and Mr Tim Groser.

In addition to the four international speakers, the symposium also featured three New Zealand contributors with equally impressive credentials. They were Professor Rob Scollay, Director of the New Zealand APEC Study Centre, Professor Gary Hawke, Chair of the Board of the New Zealand Committee of the Pacific Economic Co-operation Council, and Mr Tim Groser, Member of the Parliament and former New Zealand Ambassador to the World Trade Organization (WTO), and Chair of Agricultural Negotiations for the WTO.

The symposium began with an opening evening on 1 April 2008. Mr Nigel Moore, Director of the Asia Division in the Ministry of Foreign Affairs and Trade, delivered the keynote address. He briefed them on the New Zealand government's positive reactions to the increasing intra-regional economic integration in East Asia and its continued efforts to expand trade and other relations with members of the region. At the following symposium on 2 April, the seven speakers focused their discussions on the "ASEAN pluses" and East Asian trade architecture, ASEAN and the future of regional economic integration, and evolving

East Asian trading arrangements and the roles of WTO and APEC.

Many in the audience commented that the discussions were informative and inspiring. They noted that the symposium brought new conceptual and empirical insights for them to deliberate in their participation in the ongoing public debates on trade liberalisation and how New Zealand should interact with regional institutions. They applauded the Institute's continued effort to "bring Asia closer to New Zealand".

#### The Mekong sub-region: Economic growth and community construction

All international rivers, including the Mekong, are subject to rivalries over the up-mid-down-stream water distribution for multiple uses. Given that development of the Mekong is imperative for reducing poverty and improving the living standards of local communities, and given that effects of resource over-consumption and pollution will likely be devastating and asymmetrical among the riparian communities along the river, there is a pressing need for the six countries of the sub-region to align their

divergent and often competing national interests, and plan and work jointly for their common benefits and shared prosperity.

To date, however, much of the research done on the Mekong has focused on controversies between socio-environmental concerns of NGOs, mega development ambitions of investors, GDP growth considerations of national governments, and expectations for a better life of the general public. Few have examined how the Mekong region, defined by sovereign nation states and fragmented sub-entities, may be transformed into a mode of co-existence and reach a strong sense of 'we'. Without this sense of regional belonging, the six states and their constituent communities will not likely take others' imperatives to heart, proactively participate in joint regulatory frameworks, or adopt behaviours for upstream-downstream and lateral co-operation over the appropriation and use of their shared resources.

To help bridge this gap, the New Zealand Asia Institute, the Greater Mekong Sub-region Studies Centre at Chiang Mai University and the Souphanouvong



Front (from left): Dr Xin Chen, Professor Kosum Saichan, Ms Siliphone Souphanthong, Professor Nicholas Tarling, Dr Khamphay Sisavanh, Professor Ekamol Saichan, Dr Tin Soe. Back (from left): Mr Soulideth Keouboualapheth, staff member from Souphanouvong, Professor Kasai Toshiyuki, Dr Ngin Chanrith, Professor Yoichiro Sato, Professor Ken Jackson, Dr Charles Johnston, Professor Shen Mingming, staff member from Souphanouvong and Dr Thai Thanh Ha.

University jointly organised a conference at Luang Prabang in Lao PDR from 6 to 7 February 2009 on The Mekong sub-region: Economic growth and community construction. The conference was funded by the Japan Foundation and The University of Auckland. A team of 14 scholars from New Zealand and Asia, which was assembled in 2007 to conduct case studies of Thailand, Myanmar, Vietnam, Lao PDR, Cambodia and China, presented their findings at the

conference. These included Professor Nicholas Tarling, Professor Ken Jackson and Dr Xin Chen from The University of Auckland, Dr Charles Johnston from Auckland University of Technology, Dr Khamphay Sisavanh from Souphanouvong University, Professor Kosum Saichan and Professor Ekamol Saichan from Chiang Mai University, Professor Shen Mingming from Peking University, Dr Tin Soe from Myanmar's Agribusiness and Rural Development

Consultants, Dr Ngin Chanrith from the Royal University of Phnom Penh, Dr Thai Thanh Ha from the Hue University of Economics, Professor Kasai Toshiyuki from the Ritsumeikan University in Kyoto, Professor Yoichiro Sato from the Asia-Pacific Centre for Security Studies in Honolulu, and Ms Siliphone Souphanthong from the Department of Planning and Investment in Luang Prabang.





From left to right: Professor Hugh Whittaker (standing), Ms Eva Ho, Professor Manying Ip, and Dr Gloria Ge

The participants focused their studies on understandings of 'self' and 'other' in each of the six domestic contexts in the sub-region, and on the impact of commonly accredited and pursued development programmes and activities on regional community building efforts and potential in the Mekong area. These empirical studies were intended to help widen the middle ground between controversies of various interest groups involved in the Sub-region. Focusing on the socioeconomic space where the sense of 'we-ness' might grow among both political elites and the member publics, the project was also expected to contribute to the ongoing policy deliberations on building an economically affluent, socially just and environmentally sound Mekong sub-region. The papers presented at the conference will be published in an edited volume in 2011.

#### 2009 Chinese Entrepreneur Forum

New Zealand openly welcomes foreign entrepreneurs with demonstrated skills and investment capital to help develop new competitive industries and markets. The latest national population census conducted in 2006 enumerated 135,171 Northeast Asia-born migrants in New Zealand, among whom 72 percent came from mainland China, Hong Kong and Taiwan. How they settle in their new country and how the government, local

business community, and society at large encourage their entrepreneurial desire, ability and behaviour have, since the early 1990s, been topics for academic and policy study and issues for public debate and examination.

On 29 June 2009, the Institute co-sponsored the 2009 Chinese Entrepreneur Forum with Auckland's Chinese New Settlers Services Trust and the Office of Ethnic Affairs. The Forum was intended to help interested Chinese migrants become better acquainted with New Zealand's economic and trade policies, explore avenues for improving the competitiveness of their enterprises locally and internationally, and identify areas for new business endeavours between New Zealand and China.

Twelve invited speakers shared their insights. They were Professor Hugh Whittaker and Dr Gloria Ge from the Institute, Professor Manying Ip from Auckland's School of Asian Studies, Mr Mervin Singham from the Office of Ethnic Affairs, Ms Jenny Wang from the Chinese New Settlers Services Trust, Mr Guy Beatson from the Ministry of Economic Development, Mr David Wishart from New Zealand Trade and Enterprise, the New Zealand Commissioner Phillip Gibson, Mr Peter Lund from the Ministry of Foreign Affairs and Trade, Mr Liu Feng from COSCO New Zealand, David Catty from the

New Zealand China Trade Association, and Ms Eva Ho from the Hong Kong New Zealand Business Association. Their analyses of the global and New Zealand economic situation, impacts of the New Zealand-China FTA agreement, FDI from China, and the roles of local business councils prompted many questions and comments from the audience. In the evaluation forms, the participants gave high scores to the Institute's contribution to the Chinese community effort in promoting and supporting local migrants' entrepreneurial endeavours and New Zealand-Asia economic engagement.

#### Seminars, lectures and roundtables

##### [The Dragon looks south: China's growing influence in South-east Asia](#)

At the invitation of the Institute and the New Zealand Institute of International Affairs Auckland branch, Professor Bronson Percival from the Centre for Naval Analyses in Virginia spoke to an Auckland gathering of 50 guests on 26 February 2008. He shared with the audience his research findings on China and South-east Asia relations. He noted that while the United States treated the latter as an integrated ASEAN, China divided the region into two sub-entities, ie, mainland and maritime South-east Asia. Until recently, China had held a considerable sway



Yoritumi Watanabe, spoke at the Institute and APEC Study Centre's joint seminar.

over Burma, Vietnam, Cambodia and Laos, but played a much lesser role in maritime South-east Asia. Today, however, the situation was just the opposite, with the maritime countries taking up 80 percent of China's trade with South-east Asia. Professor Percival agreed with the widespread projection that in the next 20 to 30 years China's sea-borne commerce and resources going through South-east Asian waters would quadruple in both volume and frequency. This would likely multiply China's security concerns and push Beijing to accelerate its naval capacity building effort. Professor Percival noted that while many in the international community debated about the potential impact of such a scenario on the regional and world order, South-east Asian countries were adapting by pulling in other powers as a mechanism for balancing out China's growing influence. Their recent invitees included India, Australia and New Zealand.

#### Personal financial literacy among Japanese students: An analysis of results of FFFL Test

In accordance with the spirit of The University of Auckland - Waseda University MOU on staff and student exchanges, Professor Michio Yamaoka

from Waseda's Graduate School of Asia-Pacific Studies and six of his students paid a ten day visit to Auckland in March 2008. As part of the exchange programme, Professor Yamaoka and his colleague, Professor Shintaro Abe from Josai International University, gave a public seminar on 17 March 2008 about their research on the financial literacy level among Japanese students. They explained that the Financial Fitness for Life Theme Test (FFFL Test) was developed in the United States by W Walstad and K Rebeck. It was used by the US National Council on Economic Education to test the personal financial literacy of secondary and tertiary students. In 2004, Waseda Institute on Economic Education adapted the test and tried it on 1,434 high school students and 1,074 university students in Japan. Both groups did well on questions related to Earning income, scored "average" on Economic way of thinking, Spending and using credit and Money management, and did poorly on Saving! Based on the research findings, those involved in the project submitted their policy recommendations to the Japanese education authorities emphasising the urgency of improving the personal finance curriculum in Japan.

#### Challenges for the regional economic integration in East Asia: The Japanese perspective

On 20 March 2008, the Institute and the APEC Study Centre jointly organised a seminar for Professor Yoritumi Watanabe from Keio University to discuss issues related to the regional economic integration in East Asia. He noted that the Japanese trade policy used to be WTO-oriented. Yet with East Asia emerging as a dynamic economic entity, Japan had in recent years brought bilateral and regional aspects into its policy framework. Meanwhile, it had also shifted the target focus of its EPA strategy on to East Asia and fostered more trade partnership relations within the region. Professor Watanabe stated that as a key player in the region, Japan had a vested interest in shaping the future structure of the East Asian economy. Yet the fact that FTA, EPA and other bilateral and multilateral trade negotiations in the region often excluded difficult but important issues seemed to suggest that growing convergence in the economic sphere might not necessarily reduce strategic rivalries within the region, at least not in the foreseeable future.

### New Zealand, China and the Asia-Pacific region

On 27 June 2009, a senior delegation from the Shanghai Institute for International Studies (SIIS) led by Professor Yu Xintian visited Auckland. NZAI hosted a roundtable for the guest scholars to meet with interested members from the New Zealand government, the business sector and academia. Their discussion focused on New Zealand-China relations after the signing of the FTA, and China in the Asia-Pacific region. The participants voiced different viewpoints on issues related to labour standards, the application of law, China's rise, power politics, and the role of medium-sized countries in East Asia. They all agreed, however, that in order for the public on both sides to take full advantage of the FTA, New Zealand and China needed to advance their social, cultural and institutional knowledge of each other. This roundtable was the third Track-II discussion between NZAI and SIIS since 2004. Both institutions expressed interest in developing more substantial joint research ventures in the near future.

### Terrorism threats and security situation along the Pakistan-Afghan border regions

On 3 July 2009, the Institute was honoured to host a seminar by H.E. Mr Munawar Saeed Bhatti, Pakistani High Commissioner to New Zealand, on the insurgency crisis facing Pakistan and Afghanistan along their shared borders. He pointed out that terrorist attacks and extremist activities in the border regions were a direct fall-out of continued instability in Afghanistan. He further affirmed that the extremist violence in Afghanistan might be traced back to the Soviet intervention in the late 1970s. He pointed out that involving Taliban and Jihadis in the war against the Soviets had proved a strategic mistake as it helped set off the process of radicalisation in the region. He maintained, however, that the challenges in Afghanistan were complex, and that only a holistic approach could lead to successful solutions.

In other words, while the military force remained a critical element, peace and stability in Afghanistan would eventually depend on the success of national reconciliation among ethnic groups and economic reconstruction that would bring about a positive change in the lives of the Afghan people. Emphasising the urgency of finding a viable solution to the Afghan crisis, the High Commissioner acknowledged that the Afghan refugee camps in Pakistan's border regions were a fertile ground for recruitment by Taliban and Al Qaeda linked groups. He admitted that the challenge of relocating the nearly three million Afghan refugees back to their hometowns was almost insurmountable at

the moment, yet one that Pakistan could not ignore. In 2008, it adopted a comprehensive "3-Ds" policy, ie, dialogue, development and deterrence to accelerate community building in the Pakistan-Afghan border regions.

### A political and economic interpretation of Indonesia's election

To help interested New Zealanders understand key issues involved in the 2009 presidential election in Indonesia, the Institute and the Indonesian Embassy jointly organised a seminar by Professor Jeffrey Winters from the Northwestern University on 10 July 2009. Professor Winters was based in Jakarta during the year of 2009, conducting research on Indonesia's politics and economy, with a special emphasis on the legislative and presidential elections. He noted that if corruption and nepotism were the main issues in the 1999 and 2004 elections, the presidential campaigns in 2009 focused on fighting poverty. With an estimated 75 per cent of Indonesian pregnant women suffering from anaemia and 60 per cent of children under 15 affected by malnutrition, a heatedly debated topic among the presidential candidates and their respective supporters was whether the average seven percent annual economic growth was adequate to get the country out of the world's poor nations camp by 2045, the one hundredth anniversary of its independence. Incumbent President Susilo Bambang Yudhoyono made it clear that if re-elected he would continue this growth rate. Another concern related to President Yubhoyono's re-election was that it would put to the test the presidential term limits introduced into the Indonesian constitution in 1999. Professor Winters discussed the "lame duck" potential if President Yubhoyono honoured the two-term rule, and political manoeuvres he might engage in should he decide not to. Yet a far more alarming issue in the election concerned legal Islamic forces in Indonesia pressuring to change the country from a pluralist/secular nation to an Islamic state. Professor Winters noted that "Pancasila", the Indonesian state ideology that entailed no formal relationship between Islam and the state, had once rallied the nation in the moderate centre of its political spectrum. Yet the Suharto regime damaged its reputation and caused it to lose its appeal, especially among young Indonesians. This implied that enhancing the moderate Muslim mainstream and reducing poverty would top President Yubhoyono's political agenda for his second term if he wanted to leave a successful nation-building legacy.

### New security structures in East Asia

On 10 August 2009, the Institute hosted a seminar by Professor Go Ito from Meiji

University. He is one of Japan's leading experts on US-China-Japan relations, US policies towards East Asia, Cross-Strait relations, and Japanese foreign and security policies. His talk in Auckland centred on the recent development of the East Asia security situation. He affirmed that the six-party talks had failed to deliver the intended outcome, namely, solving the North Korean nuclear crisis. Yet China would likely want to continue the mechanism for dialogue on issues related to regional integration and security. In relation to the Shanghai Co-operation Organisation, Professor Ito maintained that it was too early to decide its implications for East Asian regionalism. It was obvious, however, that the Central Asian member states had every intention to ride on the economic growth and integration in Asia. He noted that while the China factor weighed heavily on all regional security considerations, China's power was often overstated. Skewed estimates of China's influence led to exaggerated assessments of risks and threats and discouraged the development of security co-operation mechanisms in East Asia.

### New Zealand and the future of ASEAN

During his official visit to New Zealand, ASEAN Secretary General, H.E. Dr Surin Pitsuwan, stopped by at the Institute and had a roundtable discussion on 10 September 2009 with University academics and postgraduate students on the recent development in ASEAN. The guest and hosts exchanged opinions on the significance of the newly adopted ASEAN Charter. They agreed that although containing no provision on sanctions or suspensions, the Charter provided the regional grouping with a legal foundation and announced to the world that the member states were serious about their alliance. The increasing sophistication of the ASEAN model of regionalism would also help strengthen its driver's role in integrating East Asia and linking up the various bilateral and multilateral FTAs among the 16 East Asia Summit (EAS) countries. Being an EAS member and heavily dependent on trade, New Zealand would benefit enormously from a comprehensive economic partnership arrangement in the region. The roundtable participants also discussed the controversies over some ASEAN states wanting to develop nuclear power industry as a solution to their energy and climate challenges, and over the Myanmar issue. Dr Surin Pitsuwan urged NZAI to continue its efforts in facilitating joint research ventures between Auckland and ASEAN academics, and more New Zealand business engagement with ASEAN.



Standing: Business School Dean Professor Greg Whittred. Sitting at head of table: H.E. Dr Surin Pitsuwan.

#### Outbound FDI from China and India

On 23 October 2009, Dr Zhao Hong from the East Asian Institute at the National University of Singapore gave a seminar to compare the outward investment of China and India and its regional and global economic impacts. Professor Zhao noted that the overseas investment from both countries focused on energy production and was intended to hedge against potential oil crisis and other threats to their respective energy supply. China, however, seemed more effective than India in its oil investment abroad. Professor Zhao listed four reasons for the comparative success of China's oil companies, namely, a central energy authority overseeing and streamlining energy development strategies and policies, support from state-owned banks, pro-active energy diplomacy, and good relations with oil- and gas-rich countries in the developing world. Yet in overseas enterprise mergers and acquisitions, India had a greater strategic and governance advantage than China. Professor Zhao maintained that the two rising economic giants should seek to strengthen co-operation in addressing their energy challenges. He echoed the comment made by India's former Petroleum Minister Mani Shankar Aiyar that over-competition between China and India in acquiring oil fields in third world countries would only end up driving costs for each other and destabilising the regional and global economy.

#### Asian business graduates in New Zealand

On 25 November, the Institute and the Asia:NZ Foundation co-hosted a seminar to launch the first report of a longitudinal tracking study of Asia-born New Zealand-trained business graduates. This three-year project (2008-10) was funded by the Asia:NZ Foundation and was meant to examine the role played by these students in the development of New Zealand-Asia business relationships. Mr Terry McGrath from the International Student Ministries of New Zealand, who was a co-author of the report, briefed the seminar participants the preliminary findings from the initial online survey of 131 students and 40 in-depth interviews. He noted that the first report focused on four questions: reasons for studying business, reasons for studying in New Zealand, experiences in New Zealand, and expectations for the future. The research findings indicated that the students chose to study business because of personal interest, career-related aspirations, parents' employment, and family or friends' encouragement. The main factors influencing their decisions on study destinations were the English language setting, relative affordability, natural and human environment, and safety. With regard to their experiences in New Zealand, most surveyed participants enjoyed their stay. Yet they found it difficult to build relationships with locals. Their expectations for

the future varied, but the majority centred on finding a good or well paid job. Immigration to New Zealand, or being able to live and work in New Zealand for a while after graduation, was another commonly expressed desire. Some expressed a clear interest in pursuing co-operative business ventures between New Zealand and Asia. Mr Terry McGrath concluded that the initial research yielded promising indications that Asia-born business graduates could play a future role in developing and facilitating New Zealand-Asia business relationships.

#### Visitors

##### Auckland and Fudan seeking new collaboration opportunities

Taking advantage of the visit of a senior delegation from Fudan University, NZAI organised a roundtable on 25 February 2008 for the guests to meet with Auckland's scholars from the history and European languages departments. The participants focused their discussion on possibilities and avenues for Fudan to share Auckland's rich resources and expertise on ancient history and for Auckland-Fudan joint research ventures on curriculum development for Chinese-European languages translation and interpretation studies. Both sides were pleased with the meeting and decided to continue the conversation.

### Building academic networks between Auckland and Dublin

Professor Philip Nolan, Vice President for Academic Affairs at the University College Dublin and his colleague Dr Erik Lithander, Director of International Affairs, visited NZAI on 14 March 2008 to discuss the development of Asia-focused academic and research programmes. The guests and hosts came to the conclusion that while on two different continents they were endowed with similar opportunities stemming from the growing interactions of their respective countries with Asia. They were also faced with similar challenges in boosting public interest in and advancing public knowledge on the region. They believed that Auckland and Dublin should work closer together on strengthening their respective Asian Studies research initiatives.

### Peking University to boost student exchange with Auckland

Professor Guan Haiting, Undergraduate Dean of Peking University, visited New Zealand in mid-April 2008 to explore the possibility of student exchanges with Auckland. Upon his request, Professor Yongjin Zhang, the then Director of the Institute and the co-director of Peking's New Zealand Centre, and Dr Xin Chen, an alumnus of Peking University, met with him at NZAI on 17 April. Professor Guan briefed the hosts on Peking's strategic plan for student exchanges and requested Professor Zhang and Dr Chen help with the establishment of such a programme between Peking and Auckland. Professor Zhang commended Peking's effort and assured Professor Guan of NZAI's full support for the initiative.

### Lunch get-together with US Deputy Assistant Secretary

On 8 April 2008, US Consul General John Desrocher hosted a lunch for Dr Thomas J. Christensen, US Deputy Assistant Secretary for China, Taiwan, and Mongolia, to meet with the NZAI staff. Their conversation focused on New

Zealand foreign policy and interactions with East Asia.

### Chinese institutions checking out Auckland for staff training programmes

Between February and May 2008, the Institute hosted four Chinese academic delegations. They came from the China Agricultural University headed by Professor Li Luping, Associate Dean of the College of Humanities and Development (26 February), Dezhou University headed by President He Jinyu (7 April), Zhejiang Gongshang University headed by President Hu Jianmiao (12 May), and the Beijing Social Science Academy headed by Vice-President Yuan Maoquan (16 May). All the visitors were interested in building collaborative relations with Auckland. As a first step, they all hoped NZAI would set up a professional development programme to help their junior staff across the social sciences and humanities disciplines gain more international exposure. Professor Yongjin Zhang informed the guests that NZAI had a visiting scholars scheme which might serve as a transitory solution before feasibility and other details were worked out for setting up such a programme.

### Advancing New Zealand and Japan's economic partnership

On 9 April 2008, Nissuikai, an association of Japanese business people invited Professor Hugh Whittaker, Director of the Institute, to talk to its members on New Zealand-Japan trade relations. On 3 February 2009, a delegation from Osaka, led by its Council President Mr Toshifumi Tagaya, visited the Institute. Professor Whittaker briefed the visitors on New Zealand-Japan trade relations, differences in business environments between New Zealand and Japan, and university-industry relations, with a view for promoting economic relations between Osaka and Auckland.

### Asia discussions with senior diplomats

The Institute's Track-II contributions to

promoting dialogues and mutual understanding between New Zealand and Asian countries continued to attract foreign policy decision-makers. In 2009, four senior diplomats from the New Zealand Ministry of Foreign Affairs and Trade visited the Institute. They were Mr David Strachan, Head of the Asia Regional Unit in the Asia Division (28 April), Ms Heather Riddell, New Zealand Ambassador designate to Vietnam (21 May), Mr Stephen Payton from the APEC Unit in the Asia Division (30 June), and Mr Graeme Waters, Head of the China Unit in the Asia Division (2 October). In their respective discussions with the Institute's staff, they demonstrated a great interest in NZAI's research projects, collaborations with leading Asian institutions, and views on critical issues facing Asia and individual countries in the region, and in New Zealand-Asia relations.

### Shanghai Pudong learning about New Zealand's social wellbeing policies

On 25 November 2009, a delegation of four from the Population and Family Planning Office of the Social Development Bureau at the Shanghai Pudong New Area visited the Institute. Led by Division Chief Ms Xu Yuying, the guests were keen on learning about New Zealand policies and practices related to health care, social welfare and support, and retirement. They expressed interest in collaborating with interested New Zealand institutions or scholars on research on the topic of optimal population growth and structure.

### Other visitors

The Institute hosted Dr Yunxia Zhu from the University of Queensland in Australia during her sabbatical from 1 July 2009 to 30 September 2009. While in Auckland, she carried out a comparative study of New Zealand and Chinese managers' views on sales promotions, and continued her research on Confucianism and social entrepreneurship in China.

# NZAI Offshore:

Since it was founded in 1995, the Institute has attached great importance to its overseas activities and regards them essential in fulfilling its mission. These activities are important because they help project the Institute's profile beyond New Zealand and expand its network in Asia. Through the network, the Institute seeks to engage regional academic institutions and think-tanks in an effort to enhance its capability in research and knowledge creation. In 2008-09, members of the Institute participated in a variety of offshore activities, the following of which are worth noting.

Professor Hugh Whittaker was part of The University of Auckland's delegation to the New Zealand-China Science to Market conference and related events in Beijing from 14 to 18 April 2008. An initiative of The University of Auckland, the conference was organised by the New Zealand Ministries of Research, Science and Technology, Economic Development, Foreign Affairs and Trade, and New Zealand Trade and

Enterprise in co-operation with the Chinese Ministry of Science and Technology, to foster science and technology co-operation and commercialisation between the two countries. The University of Auckland delegation also participated in events aimed at fostering the trilateral relationship with Tsinghua and Qinghai Universities. While in Beijing, Professor Whittaker gave seminars at Peking University School of Government and Tsinghua University School of Economics and Management to coincide with the Chinese language publication by Peking University Press of his co-edited book "Recovering from Success: Innovation and technology management in Japan".

From December 2008 to January 2009, Dr Gloria Ge visited the City University of Hong Kong, Zhejiang University, and Nanjing University. In addition to her own research, she gave a number of seminars and roundtables on issues related to Chinese enterprises in a more globalised economic environment.

After hosting the Mekong conference in Laos in early February 2009, Professor Nicholas Tarling and Dr Xin Chen visited eight universities and research institutions in Thailand, Vietnam and Cambodia. These included Chiang Mai University, Chiangrai Rajaphat University, Mae Fa Luang University, the Vietnamese Academy of Social Sciences, the University of Hanoi, the University of Social Sciences and Humanities at Ho Chi Minh City, the Royal University of Phnom Penh, and the Angkor University.

In Chiang Mai, they each presented a paper at the inaugural symposium of the Greater Mekong Sub-region Studies Centre on 12 February 2009. In Chiangrai Rajaphat and Mae Fa Luang, they led a roundtable discussion respectively on 13 and 14 February on higher education internationalisation in New Zealand.

Front left: Professor Nicholas Tarling. Back left: Dr Charles Johnston from Auckland University of Technology, Professor Ken Jackson from Auckland's Development Studies. Back centre: Dr Xin Chen.





In Hanoi, they met with Professor Do Hoai Nam, President of the Vietnamese Academy of Social Sciences, on 16 February 2009, and discussed building collaborative research relations between interested New Zealand and Vietnamese scholars. On the same day, Professor Tarling gave a public lecture at the Vietnam National University at Hanoi on "Britain, the US and the neutralisation of Laos". Dr Xin Chen had a roundtable discussion at the Institute of Vietnamese and Development Studies on NZAI's research on South-east Asia and the potential for joint research ventures between the two institutions. On that evening, Dr James Kember, New Zealand Ambassador to Vietnam, hosted a dinner at his residence in honour of the NZAI. On 18 February 2009, the New Zealand group was received by Vice Rector Dr Truong Thi Kim Chuyen at the University of Social Sciences and Humanities at Ho Chi Minh City. The two sides discussed developing collaborative research programmes.

On 20 February 2009, Dr Xin Chen and Professor Ken Jackson from Auckland's Development Studies visited the Royal University of Phnom Penh. They had an in-depth discussion with Dr Ngien Chanrith, Director of the Graduate Program in Development Studies, and his colleagues on how New Zealand might engage in Cambodia's economic development and

nation-building. While in Cambodia, Dr Chen and Professor Jackson also visited the Angkor University on 22 February. They were impressed by the eagerness of the students and staff to learn about New Zealand tertiary education.

Professor Hugh Whittaker participated in the opening of the Seoul National University Asia Centre on 23 March 2009. The opening of the Centre reflects the growing importance of Asian regional integration, and featured a combination of historians who reflected on integration under 'Pax Mongolica', as well as contemporary economic development and regional integration, and Korea's place in Asia. Professor Whittaker's paper was titled From late development to compressed development in East Asia.

On 31 July 2009, Professor Nicholas Tarling was invited to give a public lecture at Universiti Sains Malaysia on "Britain, Malaysia and South-east Asia: Past, present and future". On 9 November, he was the keynote speaker at the Inaugural Nicholas Tarling Conference on South-east Asia Studies at the National University of Singapore. His address was entitled "Britain and the Cold War in South-east Asia". As in 2007 and 2008, he was invited to give 12 guest lectures to a course on ASEAN for masters students at the Asia-Europe Institute at the University of Malaya from 11 to 18 November 2009. He was also

invited to give a public lecture at the same institute on 19 November on "Britain, Malaysia, and South-east Asia: The role of India".

In October 2009, Professor Hugh Whittaker joined a group from The University of Auckland led by the Vice-Chancellor for alumni events in Singapore and Kuala Lumpur. Professor Whittaker gave presentations to groups of mainly Business School alumni before the main events on developments in the Business School and NZAI, exchanging views with alumni on strengthening relations, and possibilities for creating new NZAI postgraduate scholarships for South-east Asian students. He then joined the Prime Minister's delegation for the signing of the Free Trade Agreement between New Zealand and Malaysia on 26 October, and travelled to Tokyo for the Japan New Zealand Business Partnership Forum on 30 October, also attended by the Prime Minister, where he gave an introductory address at the second session on preparing for future growth.

Dr Xin Chen was invited by Peking University to attend its Sixth Beijing Forum from 6 to 8 November 2009, where she gave a talk on "Wall Street turmoil spillovers and East Asia: Whither a regional response?"

# Staff Publications:

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**Chen, Xin**, "Development of China's Ethnic Minority Areas: The State and the Market" in Nicholas Tarling and Edmund Terence Gomez (eds.) *The State, Development and Identity in Multi-Ethnic Societies*, Abingdon, UK and New York: Routledge, 2008, pp. 185-201.

**Ge, Gloria L and Daniel Z Ding**, (forthcoming) "Determinants of internationalization strategies: A study of Chinese multinational enterprises?" *International Journal of Business and Emerging Markets*, accepted on 24 April 2009.

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**Tarling, Nicholas**, "History Boy", Wellington: Dunmore Publishing, 2009

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**Tarling, Nicholas**, "Britain and the West New Guinea Dispute, 1949-1962", Lewiston: Edwin Mellen Press, 2008.

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**Whittaker, D H, with P. Byosiere, S Momose, T Morishita, T Quince and J Higuchi**, "Comparative Entrepreneurship: The UK, Japan and the Shadow of Silicon Valley", Oxford: Oxford University Press, 2009.

**Whittaker, D H and S Deakin (eds)**, "Corporate Governance and Managerial Reform in Japan", Oxford: Oxford University Press, 2009.

Chinese translation, published by Peking University Press, 2008, of **Whittaker, D H and R E Cole (eds)**, "Recovering From Success: Innovation and technology management in Japan", (orig. Oxford University Press, 2006)

**Whittaker, D H, T Zhu, T Sturgeon, M H Tsai and T Okita**, "Compressed Development", MIT IPC Working Paper Series, 2008.



# Conclusion:

In 2008-09, the Institute entered another phase of its strategic and institutional development. Its relocation to The University of Auckland Business School has enabled it to sharpen the focus of its programmatic research and to better address issues of regional importance and national relevance. The continued support of international and national funding agencies, such as the Japan Foundation, the Korean Foundation, the Asia:NZ Foundation, and the Ministry of Foreign Affairs and Trade, made it possible for the Institute to carry out a number of significant inter-disciplinary research projects. Through these and other activities, the Institute reached out nationally and internationally to consolidate and substantiate its strategic collaborative relations with leading universities and research institutions in the Asian region. This in turn has contributed to the internationalisation of the University. With the support of the Business School and the broader involvement of its postgraduate students, the Institute will continue capitalising on the institutional opportunities presented by New Zealand's intensified engagement with Asia in 2010 and onward.

Professor Hugh Whittaker  
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