



NEW ZEALAND
ASIA INSTITUTE

THE UNIVERSITY OF AUCKLAND

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**NEW ZEALAND
ASIA INSTITUTE
Te Roopu Aotearoa Ahia**

Annual Report

2011

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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.

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The Institute would also like to thank the following institutional collaborators for their cooperation and support for the activities of the Institute in 2011: Japanese Consulate-General in Auckland, the New Zealand Contemporary China Research Centre at the Victoria University of Wellington, Auckland University of Technology Australian National University, Chinese University of Hong Kong, National Chengchi University, National Cheng Kung University, Chiangmai University, China Institute of Contemporary International Relations, Copenhagen Business School, De La Salle University Manila, Institute of Developing Economies in Japan, Dongguk University, Doshisha University, Hitotsubashi University, IMD in Switzerland, University of Indonesia, Keio University, London School of Economics, University of Malaya, Massachusetts Institute of Technology, Musashi University, Nankai University, Peking University, University of Science & Technology Beijing, Seoul National University, National University of Singapore, University of Sydney, University of Tasmania, Tokyo University, Vietnam Academy of Social Sciences, Vietnam National University-Hanoi, and Waseda University.

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

The Institute is also grateful for the administrative and web services support provided by the University of Auckland Business School and the University of Auckland Library.

Finally, NZAI would like to thank Dr Gloria Ge for her invaluable contribution to its development during her tenure as Associate Director from March 2009 to May 2011, when she took up a new position in Hong Kong.

1. OVERVIEW

2011 was an exciting and productive year for the New Zealand Asia Institute (NZAI). It reaped pleasing results in growing its externally funded research projects, developing its collaborative partnerships locally and internationally, and building its staff capacity. First and foremost, it secured a substantial grant from the Japan Foundation for a three-year joint project with the School of Asian Studies, entitled *Re-discovering and Re-engaging Japan*. The grant will partially fund for three years a professor of Japanese Studies in the School of Asian Studies, a post-doctoral fellow in NZAI, an international conference in New Zealand and related publications, and an enhanced Japan component in the *NZAIS* database.

With the help of the grant from the Japan Foundation, NZAI, in collaboration with the New Zealand Contemporary China Research Centre at the Victoria University of Wellington, convened an international conference on development dilemmas in Japan, China and the broader East-Asia region. Held partly in Wellington and partly in Auckland, the conference attracted an engaged audience from academia, government, industry, and the public. The papers presented at the conference are expected to be published as a book and a journal special issue.

In addition to the grant from the Japan Foundation, NZAI also made a successful funding bid to the Chiang Chin-Kuo Foundation for another joint project that it initiated with the Institute of International Relations in the National Chengchi University in Taiwan. The project, *Intra-Regional Popular Cultural Flows: Towards an East Asian Identity?* involved twenty-one scholars and four PhD candidates from eighteen universities in New Zealand, Australia and ten economies in Asia. The research findings will be published in an edited volume by an academic or commercial press.

Inspired in part by Harvard University's HPAIR, a student-led organisation that runs two conferences a year, NZAI approached a number of student associations on campus and across New Zealand about the possibility of organising similar events in the University of Auckland Business School. That initiative was greeted with a high level of student enthusiasm. Thanks to the joint effort and dedication of interested students groups and NZAI, the inaugural NZAI student conference, *Asia Savvy*, was held in September 2011. The event was well-received, and the student organisers, participants and corporate sponsors strongly urged the Institute to help carry forward the *Asia-Savvy* momentum.

Finally, the Institute's effort in expanding its collaborative network across the University was greatly rewarded by the appointments of Dr Natasha Hamilton-Hart from the Management and International Business as the Director of NZAI's Southeast Asian Studies Centre, Dr Jian Yang from Political Studies as the Director of the China Studies Centre, and Dr Richard Phillips from Asian Studies as the Director of the Korea Studies Centre, in addition to Prof Hugh Whittaker as the Director of the Japan Studies Centre.

2. HIGHLIGHTS

Re-discovering and Re-engaging Japan

In 2011, the New Zealand Asia Institute began its 3-year project with the School of Asian Studies, entitled “Re-discovering and Re-engaging Japan”. The project is intended to strengthen Japanese Studies at the University of Auckland. NZAI has secured a grant from the Japan Foundation, which will partially fund a Professor in Japan Studies, a post-doctoral fellow in NZAI, an international conference and related publications, and a research information database on Asia. To launch the project, the Institute organised a number of forums on Japan in the month of August, including two seminars, one on Japan’s trade diplomacy in the Asia-Pacific, and the other on Japan’s tax reforms, following a roundtable on Japan after the March 11 earthquake and tsunami. The Japanese scholars who were invited to lead the discussions at the three functions drew large audiences. Prof Yorizumi Watanabe from Keio University was interviewed by TVNZ in its AMP Business Programme on long- and short-term economic impact of Japan’s 2011 natural disasters; Japanese domestic debates on Japan joining the Trans Pacific Partnership, the regime of which was partially initiated by New Zealand; the impact of the appreciating Japanese yen (against US\$) on Japan's export; and lessons that the US and Europe said to be at risk of a "lost decade" of weak economic growth can learn from Japan that suffered a "lost decade" in the 90s. The interview was aired on 15 August.



Intra-Regional Popular Cultural Flows: Towards an East Asian Identity?

Against the backdrop of a region-wide enthusiasm for East Asian integration since the 1997-1998 financial crises, there has been an explosive growth of cross-border popular cultural flows among the countries in this area. Regionally circulated popular culture is now an indispensable part of the average Asians’ daily lives. Yet few attempts, either in the region or internationally, have been made to examine the interface of cultural adaptation and political identification in the consumption process of popular culture. To help bridge this gap, NZAI and the Institute of International Relations at the National Chengchi University in Taiwan jointly led a comprehensive study on the junction

between an East Asian popular cultural regionality in the making and an East Asian identity. Supported by a grant from the Chiang Chin-Kuo Foundation, the twenty strong invited participants met in Taipei on 17-19 April to share their research findings.

Public Lecture by Prof Cui Liru, New Zealand Prime Minister's Fellow

On 17 August, NZAI hosted the visit of New Zealand Prime Minister's Fellow, Prof Cui Liru, President of the China Institutes of Contemporary International Relations (CICIR). The honoured guest gave a public lecture and led a roundtable discussion on China-US relations and implications to the Asia-Pacific region. Prof Cui elaborated on how China and the United States hold the single most important bilateral relationship in the world of the 21st Century. Since China and the US interact, competing and cooperating, mainly in the Asia-Pacific region, their relationship is a serious matter of concern for not only themselves, but also other countries in the area.



Asia-Savvy: New Zealand Asia Conference 2011

Supported by NZAI, a group of students passionate about New Zealand's relationship with Asia met at Auckland on 2 – 3 September to share their commitment to being Asia-savvy citizens. Whilst interested in off-shore opportunities, the majority of those in attendance expressed a dedication to becoming an active part of the Asia-savvy transition of New Zealand businesses. The forum was covered extensively by the press, including the NZ Herald (1 September), Xinhua News Agency (1-2 September), Holy Cow Media Ltd (19 September), and National MP Melissa Lee's monthly newsletter (Oct).

Compressed Development in Emerging Asia

The Asian Financial Crisis of 1997-98 had serious repercussions for the “miracle” economies of East Asia, and in the view of many undermined the credibility of the “East Asian model” of economic development. A decade later the Global Financial Crisis had serious repercussions for many “western” economies, and in the view of many undermined the orthodoxy of the policies associated with “Washington Consensus” institutions. Asian economies have once again become a focus of attention and debate; but what of their development models? Are recent developers, notably the emerging giants China and India, pursuing essentially the same models as “late developer” exemplars, Japan and Korea, or those prescribed by the “Washington Consensus”, or something different? If different, how different? With what consequences? To address these issues, NZAI and the New Zealand Contemporary China Research Centre at Victoria University of Wellington jointly organised a conference on 5 – 7 December. Twenty-five New Zealand and international scholars were invited to speak at the conference. Examining development models and dilemmas in Asia, their attention was particularly focused on the time and timing dimensions of development in Asia. The speakers argued explicitly that the “late development” path followed by Japan and South Korea were increasingly difficult, if not impassable, for current developers to follow, and that a new path emerged which engaged in global value chain (GVC) production dynamics rather than nationally bounded manufacturing systems. The participants agreed that developing GVC engagement could accelerate development, but also create limits and deficiencies in the realms of education, public health and social cohesion, and threaten new forms of unbalanced growth.

New Zealand Asia Information Service database (NZAIS)

In 2011, the Institute and the University of Auckland Library moved this research-oriented information database to a new interface to enhance its searchability and language functionality. Contacts were also made with other university libraries and Asia-related research centres in New Zealand about joining in the effort and gradually developing the NZAI initiative into a national database.

The Place of Diverse Ethnic Communities and Business Innovation in Transforming Auckland

NZAI continued its joint project with scholars from the School of Asian Studies, the School of Environment, and the Business School on local Chinese and Indian business communities and their contribution to the socio-economic development of the city and the engagement between New Zealand and Asia. Two more postgraduate students, Leon Hoffman from Environment and Xingang Wang from Economics, were involved in the data collection and analysis of the project.

SMEs' Asia Engagement

Staff and research students of The University of Auckland Business School and the New Zealand Asia Institute conducted a survey to investigate growth, export and innovation pattern of New Zealand small and medium sized businesses (SMEs). The survey was part of NZAI's Growing New Zealand Businesses project launched in 2010. The survey yielded over 1,900 responses.

3. PROGRAM OF ACTIVITIES

In 2011, NZAI carried out a wide-ranging programme of research projects, conferences, public lectures, seminars, roundtables, and community-outreach activities. These events were consummate 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 profile of the University of Auckland as the nation's leading university in Asia, and advancing the national knowledge base on the region. As always, these events were organised and hosted in collaboration with local, national and international partners whenever possible.

Research

Business Engagement with Asia: A study of leading NZ companies

It is widely acknowledged that Asia is crucial for the future of the New Zealand economy. In recognition of this, the New Zealand government has been active in negotiating free trade agreements in the region. Yet recognising the increasing importance and signing free trade agreements do not automatically translate into increased business engagement. In fact, it would seem that many NZ companies, if they are active outside NZ, prefer to do business in the UK, US or Australia, where the "psychological distance" is small. Some other companies seem doing business in Asia more by accident than by design – having been approached by Asian customers, for example – and these businesses may lose out when other sources of supply become available.

In 2010, NZAI began the *Business Engagement with Asia* project, which continued into 2011. PhD and Masters students from several Business School departments have been involved in the research of 50 large businesses, 50 SMEs, and 25 Maori businesses which have attempted to gain a footing in Asian markets, or have located parts of their value chains there. The aim is to construct a data base which will enable research and practitioner-oriented publications, as well as input material (in the form of cases, for example) for education programmes.

Growing New Zealand Businesses

This on-going project is jointly conducted with researchers in the Department of Management and International Business. It combines a survey with interviews, looking at the factors which promote or impede growth of NZ businesses. Specifically, it examines business and founder characteristics, innovation, collaboration, finance, growth limitations, governance, and owner-manager relations with the business. A similar survey is being conducted in Australia by researchers at the University of Queensland, and in the UK by researchers at the University of Cambridge, which will enable comparison of businesses with peers in those countries.

In 2011, staff and research students involved in this study conducted a survey, investigating growth, export and innovation pattern of New Zealand small and medium sized businesses (SMEs). The survey yielded over 1900 responses. A preliminary analysis of the data collected show that thirty-six percent of the final sample was exporting in 2010, up from 31% three years ago. Twenty-seven percent of the exporting businesses were exporting to Asia, second only to Australia by region. There was a significant difference between businesses with fast turnover growth and no or moderate turnover growth. Those with fast turnover growth (10% or more annualised) tended to sell more to Asia, namely 12.9% of their sales on average, while those with less than 10% annualized turnover growth sold only 6.7% of their products and services in Asia. This suggests that solid growth can be, and probably to a degree has to be, achieved by engaging with Asia.

Please visit <http://www.business.auckland.ac.nz/uoahome/about/our-research/bs-research-groups/growing-new-zealand-businesses-gnzb>.

Compressed Development

This project is co-ordinated by Prof Hugh Whittaker and includes a team of researchers from New Zealand, Japan, China and the US. It focuses on the tensions arising at the interface of development and globalization. Focusing on East Asia, and taking a broad perspective that spans the economic and social dimensions of development, the research team contends that the path charted by the “late development” model has become all but impassable, and is now better conceived as one of “compressed development”. Key differences are 1) the extent and consequences of compression; 2) the primary mode of engagement with the world economy – via global value chains; and 3) the interaction of these. Compressed development forces states to address a number of simultaneous challenges, resulting in “policy stretch”. The research has sketched features of an “adaptive state” suited to navigating the path of compressed development. Attempting to draw out the implications of this model, the research team met at NZAI on 5-7 December

to map the next phase of the study. Themes emerged from the discussion included compressed capitalism and compressed development in emerging Asia, changing developmental state in East Asia, opportunities and traps for local industries and enterprises to enter global value chains, and social policy challenges for human development.

The Place of Diverse Ethnic Communities and Business Innovation in Transforming Auckland

This multi-disciplinary research project took off in September 2010. With a grant from the Transforming Auckland Fund programme, the study is to investigate contributions of Auckland's diverse ethnic communities to the city's social and economic transformation. The study also aims to explore the ways in which these communities foster engagement between New Zealand and Asia. Coming from the Faculties of Business, Arts, and Science, the team of researchers in 2011 collected literature and secondary data, designed a questionnaire, created a list of survey samples, and conducted six extensive pilot interviews. Emphasising links between sustainability and social infrastructure such as facilitative networks, community cohesion and public perception, the research team was in search of indicators of viable socio-economic transformation. The principal investigators include Prof Manying Ip from the School of Asian Studies, Prof Robin Kearns and Dr Ward Friesen from the School of Environment, and Prof Hugh Whittaker from the Business School and the New Zealand Asia Institute. The project is administratively assisted by Dr Xin Chen and Ms Kimberley from NZAI. Interested PhD students are also involved in survey design, data collection and analysis, and final report writing.

Conferences

Intra-Regional Popular Cultural Flows: Towards an East Asian Identity?

In the past decade, regionally circulated popular cultural products have become an indispensable part of the average Asians' daily lives. The magnitude, dynamics, and massive geographic coverage of the "flows" of this cultural form in East Asia signify its potential to become a powerful vehicle for realising the 1998 ASEAN-Plus-Three Summit's vision of an integrated regional community.

Of course, the identity-formation effect of the production and consumption of popular culture will take a long time and a tortuous route to occur, if it ever does. And the creative industry-produced popular culture "flows" and the resulting immense intra-regional contacts at the people-to-people level may trigger instantaneous and massive nationalist responses in any locale and to any imported cultural programme. Perceptions of contents' "truthfulness", "accuracy", or "insinuation", for example, may turn mundane pop cultural commodities into deliberate distortions for political purposes. Given that cultural

commodities originating from more developed economies in East Asia generally find it easier to break into the emotional structures of less prosperous nations than the other way round, “unequal” cultural dialogues may also be interpreted as cultural penetration by countries with economic and political muscle into their economically weaker neighbours.

Clearly, the identity reconstruction of East Asians through popular cultural consumption is an issue of both political significance and political consequence for the region, and possibly with serious repercussions for the world. It thus calls for systematic and collaborative studies covering the key nations caught in the dense cross-border cultural traffic in East Asia. Yet the research community world-wide does not seem able to keep pace with the growth of creative industries in the region and the trans-cultural flows they have initiated. Also, research on the consumption side of the intra-regional popular cultural exchanges has to date focused mainly on their contextual specificities, textual factors, economic interests, and technological infrastructure. Few attempts, either in the region or internationally, have been made to examine the interface of cultural adaptation and political identification in the consumption process of popular culture.

To help bridge this gap, NZAI initiated a comprehensive study on the junction between an East Asian popular cultural regionality in the making and an East Asian identity. A team of twenty-one scholars and four PhD students from eighteen universities in New Zealand, Australia and the Asian region were invited to conduct case studies on interactions of popular cultural flows, state politics, and the average audiences’ receptions in, respectively, Japan, Korea, China, Taiwan, Vietnam, Singapore, Thailand, Malaysia, Indonesia and the Philippines. The participants included Prof Nicholas Tarling, Prof Ken Jackson and Dr Xin Chen from the University of Auckland; Dr Charles Johnston from Auckland University of Technology; Dr Nichole Tarulevicz from the University of Tasmania; Prof Liu Fu-kuo, Prof Sumei Wang, Mr Dean Karalekas and Ms Huong Le Thu from National Chengchi University; Prof Fang-chih Yang from National Cheng Kung University; Prof Marie Thorsten from Doshisha University; Prof Koichi Iwabuchi from Waseda University; Prof Ikki Kim from Dongguk University; Mr Changho Jo from Seoul National University; Prof Anthony Y. H. Fung from the Chinese University of Hong Kong; Prof Ding Dou from Peking University; Ms Ding Fengxin from the University of Science and Technology Beijing; Prof Antonio Contreras from De La Salle University Manila; Dr Lilawati Kurnia from the University of Indonesia; Prof Ekamol Saichan and Prof Kosum Saichan from Chiang Mai University; Dr Hoang Anh Tuan from Vietnam National University; Ms Le Thuy Linh from Vietnam Academy of Social Sciences; Prof Danny Tze Ken Wong and Prof Lee Kam Hing from the University of Malaya.

With the help of a grant NZAI secured from the Chiang Ching-kuo Foundation, the NZ Asia Institute, in association with the Institute of International Relations (IIR) of Taiwan’s National Chengchi University, organised a conference on 17-19 April at IIR for the above invited participants to share their research findings. Their context-specific investigations focused on key factors facilitating or impeding the potential for viewers in a specific location to loosen up the conceptual confines of their grounded nationalities and to forge

cultural and political identification first with other Asian stage personae and then the countries where they are created.

They reached the conclusion that since the Asian Financial Crisis brought the issue of regional integration to the fore of the national policy agenda of East Asia, popular cultural exchanges picked up momentum and became an important component of the regionalisation process among its member states. The word “popular” in this context served as not only a definition of a cultural category, but also an indication of massive consumer participation. The latter added both dynamism and dynamics to the evolution of regionalism in this region. Yet there was not at present a definite and shared regional identity in East Asia.

The research findings are expected to be published in an edited volume in 2012.



Potential Contribution of Asia-savvy Graduates to New Zealand Business and Society

Partly inspired by Harvard University’s HPAIR, a student-led organisation that runs two conferences a year, and to raise awareness of the availability of Asia-savvy students in New Zealand who could help businesses engage productively with Asia, NZAI helped interested university students across New Zealand put on their first *Asia Savvy* conference in Auckland on 2 – 3 September 2011. Sixty strong delegates exhibited their passionate interest in participating in the plenary sessions and group discussions. Issues addressed at the conference included job potentials for Asia-Savvy students and opportunities for NZ businesses; Asia-savvy graduates’ relationship with New Zealand; and universities’ role in enhancing their students’ Asia-savviness.

NZAI and the student organisers were fortunate to have lined up a diverse group of high-calibre speakers to lead the discussion at the forum. They were Mr Owen G Glenn; Dr David Walker from the Ministry of Foreign Affairs and Trade; MP Melissa Lee; MP

Raymond Huo; Prof Jilnaught Wong and Mr Champak Mehta from the Business School; Prof Natasha Hamilton-Hart from the Department of Management and International Business; Mr Charles Chow from NZAI; Dr Jian Yang from Political Studies; Mr David Cooper from the Malcolm Pacific Ltd; Mr S.K. Liow from SK Plus Co. Ltd; Mr Nelson Wang from Number Wise Ltd; PhD candidate Parizad Mulla and BCom student Yih-Cheng Tai from Auckland; MMgt student Giang Ha from Massey; Ms Mahoney Turnbull from Otago; and Mr Simon Johnson from Cambridge.

The student organisers, conference participants, and corporate sponsors all appealed to NZAI to continue the Asia-savvy momentum and make the conference an annual event. NZAI promised to seriously consider the suggestion.

Please visit <http://www.asia-savvy.com/>

Facebook: Asia Savvy: New Zealand Asia Conference



Compressed Development in Emerging Asia

The history of modern economic development at the national level is characterised by an accelerated process of compression of the conditions and dynamics for growth and development into an increasingly shortening timeframe. This is especially true in the case of successful recent developers with whom sequential development stages in early and even late developers have been occurring simultaneously. The “compression” has unsurprisingly produced new policy dilemmas in the realms of education, public health and social cohesion, and threatens new forms of unbalanced growth. At the same time, some of these challenges also confront the now-developed economies of East Asia, as well as industrialized economies in the West, creating an additional impetus for understanding the dynamics of compressed development.

To engage in the academic deliberations on the above issues, NZAI, in association with the New Zealand Contemporary China Research Centre in Victoria University of Wellington, organised an international conference, *Compressed Development in Emerging Asia*, on 5 – 7 December 2011. Thanks to the grant NZAI received from the Japan Foundation for its *Rediscovering and Re-engaging Japan* project, twenty-five scholars and policy analysts from New Zealand, Japan, Australia, China, Singapore, UK, and US were invited to speak at the conference. These were Prof Hugh Whittaker, Prof Natasha Hamilton-Hart, Prof Nigel Haworth, Prof Rob Scollay, Prof Ken Jackson and Dr Toshie Okita from NZAI; Prof Xiaoming Huang, Mr Toney Browne, Prof Cary Hawke, Prof Kim Fam, Dr Marc Lanteigne, Dr Ben Thirkell-White and Dr Jason Young from Victoria University of Wellington; Prof Nobubaru Yokokawa from Musashi University; Prof Lei Song and Prof Tianbiao Zhu from Peking University; Prof Shulong Chu from Tsinghua University; Prof Katsuhiko Sasuga from Tokai University; Prof Katsuji Nakagane from Aoyama Gakuin University; Prof Tim Sturgeon from Massachusetts Institute of Technology; Prof Anthony D’Costa from Copenhagen Business School; Prof Jan-Sup Shin from the National University of Singapore; Ms Momoko Kawakami from Japan’s Institute of Developing Economies; Prof Tomoo Marukawa from Tokyo University; and Prof Bill Pritchard from the University of Sydney. Their research findings will be published in a number of edited volumes, and a journal special issue.



Seminars, Lectures and Roundtables

Doing Business in China: Supply Chain Characteristics

To help the New Zealand business community and trade and development policy makers get a grip on China’s logistics, the NZ Asia Institute and the NZ Centre for Supply Chain Management jointly sponsored a breakfast forum on 3 February on the current status and future prospects of the logistic industry in the economic giant. The event featured three speakers, Visiting Prof Liu Yanping from Nankai University, Prof David Robb from

Tsinghua University and the University of Auckland, and Dr Gloria Ge from NZAI and the Department of Management and International Business.

Economic Impact of the Disasters in Japan and Prospects for Recovery

Right after the earthquake and tsunami in Japan, NZAI and the School of Asian Studies (SAS) presented a joint seminar on 16 March for concerned people in Auckland to learn about some immediate and longer term impacts of the disasters. Prof Hugh Whittaker from NZAI and Dr Rumi Sakamoto from SAS spoke on the problems to be encountered by the manufacturing and agricultural sectors, and their social implications.

Making Sense of Asian Nationalisms

At his seminar at NZAI on 24 March, Prof Anthony Reid from the Australian National University stated that if any upheaval could be said to have created a model in Asia, as the revolution of 1789 did for Europe, China's 1911 Revolution would be the strongest candidate. Because of the history and importance of the Manchu Empire, and the dispersal of Chinese in other countries particularly in Southeast Asia, 1911 mattered for Asia. Its success indeed reverberated throughout Asia and propelled nationalism as the main story of Asia's 20th Century.

Lessons from Singapore's Watershed Political Elections (GE2011)

Since 1965, the city state of Singapore has been ruled by an effective but authoritarian one party PAP government. The general election of GE 2011 saw the beginning of powerful forces of change. What are the hard truths and fundamental realities facing a small island state in South-east Asia? How do we resolve the conundrum of Singapore the "nation" and Singapore the "global city"? What is the future of Singapore after Lee Kuan Yew and will Singapore still be around in 50 years? Mr Charles Chow from NZAI discussed these issues at an NZAI seminar on 20 June.

Japan after March 11

Taking advantage of the visit to NZAI by Prof Yoritumi Watanabe from Keio University and Mr Meishi Sonobe, who chairs the Japan Beachhead Advisory Board in NZ Trade and Enterprise, NZAI organised a panel discussion on 11 August to explore how Japan would finance its massive reconstruction programme; whether the disasters would complicate Japan's recovery and re-orientation following its "lost decade"; how they affected regional and global supply chains; and what they impacted Japanese society, politics and culture. Two other panellists were Prof Hugh Whittaker from NZAI and PhD candidate Corey Wallace from Political Studies.

Japan's Economic Diplomacy in Asia-Pacific

Japan began its FTA negotiations in 2001, which were then called Economic Partnership Agreements (EPA). It has since signed a dozen such agreements, and is now in negotiations respectively with Australia, India, Peru and the Gulf Cooperation Council nations. Would the recent earthquake and tsunami add momentum to the process as the area hit by the tragic disasters has a high concentration of agriculture and fishery products? Would the supply-demand pressure push Japan to review its agricultural policy and agricultural tariffs, which might positively impact the potential of a Japan-NZ FTA? Would Japan consider taking the logical next step to join TPP initiated by New Zealand, Brunei, Chile and Singapore? Prof Yoritsumi Watanabe from Keio University talked about these issues at an NZAI seminar on 11 August.

China and the United States in the 21st Century

On 17 August, NZAI hosted the visit of the New Zealand Prime Minister's Fellow Prof Cui Liru, President of the China Institutes of Contemporary International Relations (CICIR). Prof Cui spoke at a roundtable and gave a public lecture on China-US relations and implications to the Asia-Pacific region. In Prof Cui's opinion, international consensus on the nature of the relationship seem reachable only with some qualifying words such as "diversity" and "complexity". Within China, innumerable scholarly, policy and public circles for American studies are not able to settle on a commonly agreed-upon characterisation of the relationship either. They are, however, of a similar opinion that the two countries were increasingly becoming economically interdependent, but remain frozen in political and security mistrust.

Tax Reforms in Japan

The Japanese government has, since the recent earthquake and tsunami, approved a number of supplementary budgets for 2011. Yet more relief and recovery funds are likely to be needed. The fiscal difficulties have added fuel to Japanese domestic discussions on tax reforms. On 25 August, the Institute hosted a seminar for Prof Satoshi Watanabe from Hitotsubashi University in Japan. In his opinion, the consumption tax may serve as an important complementary source of government earnings. Its revenue contribution since its introduction in 1989 has been stable, which is very different from the fluctuating income and corporate taxes. Furthermore, in comparison to New Zealand's 15% Goods and Services Tax (GST), Japan has a lot of manoeuvring space for lifting its present 5% consumption tax to a higher level, through progressive increments.

Emerging Global Paradigm and Impact on Business

On 29 August, Visiting Professor Jean-Pierre Lehmann from IMD Business School in Switzerland gave a seminar on major transformations the world has undergone in the past decade that are the "most profound in all of its millenniums". He summarised these changes under five simultaneous revolutions. They are the Chinese economic revolution, the global market revolution, the information and communications technology (ICT)

revolution, the demographic revolution, and the climate revolution. Among these “revolutions”, the rise of China and the “Global South” has contributed the most to the rapid shifting dynamics of international trade and the conclusion of the 200-year Western dominance of the global economic power structure. If Deng Xiaoping said in 1978 that China could not do without global capitalism, today it is the other way round.

The Global Economy to 2015 and 2030

On 20 September, Prof Robert Wade from the London School of Economics gave an NZAI seminar on the current global crisis and recovery. The western world economy, he argued, is currently in an even more dangerous condition than in late 2008 after the Lehman collapse. Basing their confidence on pre-Keynesian economics, policy makers ignore ample empirical evidence of the damaging effects of fiscal austerity when the growth rate is low, unemployment is high, and private demand remains sluggish. In Prof Wade’s opinion, the fundamental cause of the 2008 global crisis is the rising financial fragility, including high global payments imbalances and serious national income inequality.

China's October Revolution: 100 Years on

In October 1911, China entered its revolutionary period, which finally turned out to last more than 60 years. To mark the hundredth anniversary of the occasion, NZAI invited Dr Richard Phillips from the School of Asian Studies to give a seminar on 6 October on the significance of the event in its time and in the wider history of China. Dr Phillips talked about the chief legacy of the revolution as the successful destruction of the monarchical option for China, despite efforts by royalists to restore an emperor, but as otherwise only the first step on a complex journey to the reconstruction of the Chinese social and political order. He argued that there is a value in seeing the history of China as having a parallel with that of France, with different numbered republics, each respecting some aspects of the republican ideal but without direct continuity of structure.

Scenarios for Asia's Economic and Political Future, and Implications for New Zealand

On 7 October, NZAI hosted the visit of Dr Dan Twining from the German Marshall Fund of the United States. During his stay, Dr Twining held a roundtable discussion with a group of interested academics from Auckland implications of rising China to Asia, New Zealand and the United States. Dr Twining argued that the much talked about GDP growth of China will not likely alter the liberal world order in the perceivable future. In his opinion, nobody, not even the Chinese, knows what China wants or will end up being, a super power, a replica of the United States with global alliances, a 19th Century Japan that was militarily capable of territorial expansion, or a disengaged Middle Kingdom in Asia disengaged. This uncertainty has resulted in many countries in the Asia-Pacific

region playing two games. They work closely with China economically, and with the United States geo-strategically.

The Veil and Performing Femininity: Jilbabs and Jilbabes in Contemporary Indonesia

Over a relatively short period of time the head scarf – called *jilbab* in Indonesian – has taken on new meanings and assumed a more central role in the social processes surrounding feminine identity representation in media and the public performance of femininity. On 27 October, Dr Behrend from the School of Asian Studies gave a seminar at NZAI on female self-representation in public spaces in Indonesia. He circulated among the audience pictures of materials representing and marketed to Muslim women in Indonesia and veiled femininity as represented in the current marketplace of Islamic print media. In his opinion, increasingly trendy and fashionable jilbabs will gradually change the common perception that the veiled Muslim woman represents backwardness.

Chinese Compradores in Colonial Malaya with Special Reference to the Hongkong Bank and the Mercantile Bank

Compradores constituted a distinct class in mainland China and Hong Kong in the 19th and the first half of the 20th century, playing an important role as intermediaries between Western economic interests and the Chinese population. On 11 November, Dr William Tai, who recently received his PhD in history from the University of Hong Kong, shared his research findings on how compradores contributed to the growth of Chinese capitalism in Malaysia. Dr Tai noted that for more than one hundred years, the compradores in Malaya helped the Western banks to build up their Chinese clientele whilst at the same time facilitating the access of large and medium-sized Chinese businesses to Western banking facilities which otherwise would not have become available. Chinese business in the rubber industry, in particular, received substantial financial support from the banks. Despite the irrationality of the system, the banking compradores actually played a positive role in the growth of the Malayan economy.

New Zealand and China in the Asia-Pacific Region

The Shanghai Institute for International Studies (SIIS) and NZAI have engaged in academic exchanges since the late 1990s. On 24 November, five researchers from SIIS headed by Prof Dongxiao Chen had a roundtable discussion with NZAI staff on New Zealand's assessment of regional security situation in the Asia-Pacific; New Zealand's mid and long-term position on regional security architecture building; New Zealand's perspective on China's role in the region of South Pacific; and New Zealand-China potential and prospect of cooperative on regional and global agenda.

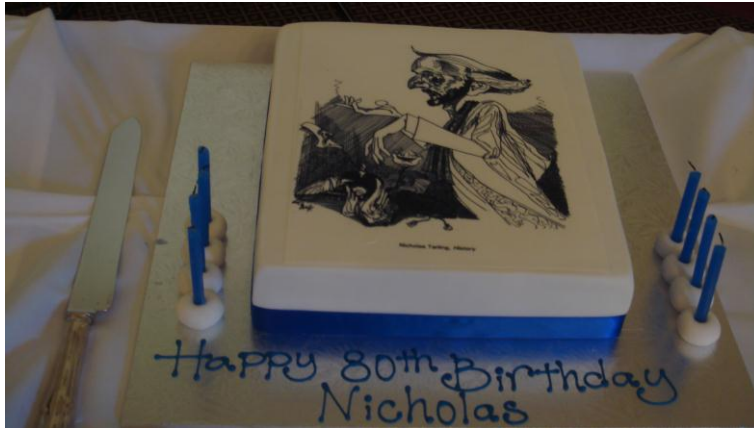
Think Small: Challenges and Opportunities Facing Small Countries in a Rapidly Changing Global Economy

Dr David Skilling, who is well-known in New Zealand business circles, leads Landfall Strategy Group, a Singapore-based company that provides advice on strategy issues to governments. He is also Senior Advisor to the Secretary of Foreign Affairs in New Zealand. He visited NZAI on 2 December and gave a seminar on how small countries should not view themselves as just larger economies scaled down, but maintain the “something intrinsic” in small countries that enabled them to perform more effectively in the global economy.



Prof Nicholas Tarling turned 80

On 2 February, NZAI celebrated the 80th birthday of Prof Nicholas Tarling, a distinguished scholar on its team. More than fifty colleagues and friends from this and other New Zealand universities and the wider community came and shared the occasion. Speaking at the celebration were Sir Paul Reeves, former Governor-General and formerly a Visiting Professor at the Institute, Emeritus Prof Barry Gustafson from Political Studies, who was the Acting Director of NZAI from 2003-06, Dr Richard Phillips from Asian Studies, and Prof Tarling himself. The occasion was also marked by a display of aspects of Prof Tarling’s academic achievements in The University of Auckland Library, including his contribution to the study of history, especially the history of Southeast Asia. He is the author of over 40 books on politics, history, education, student welfare and the arts.



Visitors

January

Dr Chu-Chia (Steven) Lin, National Chengchi University, Taiwan (21/1)

Dr Kai-Tai (Tiger) Tang, National Policy Foundation, Taiwan (21/1)

Dr Ching-Yu Tan, National Policy Foundation, Taiwan (21/1)

February

Prof. Michio Yamaoka, Waseda University, Japan (17/2-2/3)

March

Prof Anthony Reid, Australian National University (24/3)

April

Prof Akito Kawamoto, Hiroshima Shudo University (1/4-30/9)

May

Mr Steve Barclay, Hong Kong Economic and Trade Office (12/5)

Prof Hiroaki Miyoshi, Doshisha University (16/5-31/8)

Mr Kim Scon Dong, Member of the National Assembly, Korea (20/5)

Mr Chung DooUn, Grand National Party Leader, Korea (20/5),

Dr Jong-Eon Lee, Vice-President, Cheonan College of Engineering (20/5)

Mr Kim Kwan Young, Ministry of Education, Science and Technology of Korea (20/5)

Mr Dae-hee Lee, Consul General of Korea in Auckland (20/5)

Mr Mohd Alif Bin Jasni, Student Intern, University of Malaya (23/5-24/6)

Ms Yin Aiping, Vice President, Beijing Academy of Social Sciences (31/5)

Ms Han Changxia, Beijing Academy of Social Sciences (31/5)
Ms Qiu Lili, Beijing Academy of Social Sciences (31/5)
Mr Xin Zhangping, Beijing Academy of Social Sciences (31/5)
Mr Cui Xiaofei, Beijing Academy of Social Sciences (31/5)
Mr Chen Yonglong, Chinese People's Institute of Foreign Affairs (31/5)

June

Japan-East Asia Network of Exchange for Students and Youths delegation

July

Prof Rouben Azizian, Asia-Pacific Centre for Strategic Studies, Honolulu (27/7)

August

Prof Yorizumi Watanabe, Keio University (8-11/8)
Mr Meishi Sonobe, Japan Beachhead Advisory Board (11/8)
Prof Liru Cui, China Institutes of Contemporary International Relations (17/8)
Prof Xuegang Zhang, China Institutes of Contemporary International Relations (17/8)
Prof Michio Yamaoka, Waseda University (23/8-10/9)
Prof Satoshi Watanabe, Hitotsubashi University (25/8)
Prof Jean-Pierre Lehmann, IMD, Switzerland (29/8)

September

Dr David Walker, New Zealand Ministry of Foreign Affairs and Trade (2/9)
Ms Melissa Lee, Member of Parliament (2/9)
Mr David Cooper, Malcolm Pacific Ltd (2/9)
Dr Haina Zhang, University of Otago (2-3/9)
Mr Raymond Huo, Member of Parliament (3/9)
Mr S.K. Liow, SK Plus Co. Ltd (3/9)
Mr Nelson Wang, Number Wise Ltd (3/9)
Prof Robert Wade, London School of Economics (20/9)

October

Dr Dan Twining, German Marshal Fund (7/10)
Prof Alfred Oehlers, Asia-Pacific Centre for Security Studies, Honolulu (28/10)

November

Prof Jing Zhang, Vice President, Hunan University (24/11)
Prof Yonghong Yan, Hunan University (24/11)

Prof Quanwen Zuo, Hunan University (24/11)
Prof Dongxiao Chen, Vice President, Shanghai Institutes for International Studies (24/11)
Dr Ying Ma, Shanghai Institutes for International Studies (24/11)
Dr Degui Lian, Shanghai Institutes for International Studies (24/11)
Mr Chen Xue, Shanghai Institutes for International Studies (24/11)
Ms Yingqin Zheng, Shanghai Institutes for International Studies (24/11)

December

Prof Nobubaru Yokokawa, Musashi University (5-7/12)
Prof Lei Song, Peking University (5-7/12)
Prof Tianbiao Zhu, Peking University (5-7/12)
Prof Shulong Chu, Tsinghua University (5-7/12)
Prof Katsuhiro Sasuga, Tokai University (5-7/12)
Prof Katsuji Nakagane, Aoyama Gakuin University (5-7/12)
Prof Tim Sturgeon, Massachusetts Institute of Technology (5-7/12)
Prof Anthony D'Costa, Copenhagen Business School (5-7/12)
Prof Jan-Sup Shin, National University of Singapore (5-7/12)
Ms Momoko Kawakami, Japan's Institute of Developing Economies (5-7/12)
Prof Tomoo Marukawa, Tokyo University (5-7/12)
Prof Bill Pritchard, University of Sydney (5-7/12)
Prof Xiaoming Huang, Victoria University of Wellington (7/12)
Dr Marc Lanteigne, Victoria University of Wellington (7/12)
Dr Jason Young, Victoria University of Wellington (7/12)
Ambassador Park Yongkyu, Republic of Korea (9/12)

4. NZAI OFFSHORE

Since its founding 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 of research and of knowledge creation. In 2011, members of the Institute participated in a variety of offshore activities, the following of which are worth noting.

On 4 – 19 February Prof Hugh Whittaker and Prof Rob Scollay, Director of the New Zealand APEC Studies Centre was on an NZ-PECC mission trip to Japan, Korea and China to meet researchers and facilitate networks on food security, food trade and food policy. They took a similar trip on 3 – 16 July to Indonesia, Vietnam and Thailand.

On 4 – 10 September Prof Whittaker visited Shanghai, Beijing and Hong Kong with the Dean of the Faculty of Business and Economics and other Business School Heads of

Departments to strengthen links with Chinese universities and hold Alumni events. They visited a number of universities and held Alumni events in every city they went. On 8 – 9 October he participated in the technology management intensive programme in Doshisha University in to Kyoto. The three-day programme aimed at developing technology management best practice in leading Japanese technology companies. He was invited to address the symposium on Japan, New Zealand and Asia in Waseda University on 15 – 16 November.

Dr Xin Chen was invited to present a paper on "From Japanese Pop Idols to Korean Cultural Wave: Chinese Self-Reflections" at the conference, *Intra-Regional Popular Cultural Flows: Towards an East Asian Identity?* jointly organised in Taipei by NZAI and the Institute of International Affairs at the National Chengchi University in Taiwan on 17 – 19 April 2011. In May (28 – 30), she was invited by the Shanghai Forum Organising Committee to speak on "East Asia and Global Economic Governance: Ready to Take the Central Stage?" at its 2011 Forum, *Market, Government and Global Governance*. She was the invited by the Asia Centre at Seoul National University to speak on the same topic at its conference, *Global Challenges in Asia: New Development Model and Regional Community Building*" held in Seoul on 20 – 21 October 2011.

Prof Natasha Hamilton-Hart, Director of NZAI's Southeast Asian Studies was invited to speak on "The Costs of Coercion: Modern Southeast Asia in Comparative Perspective" at the Focus Group 3 Workshop of the MacArthur Foundation Asia Security Initiative Project in Beijing on 17 – 19 May. She was also invited to present a paper on "Regional Governance: East Asia after the Global Financial Crisis" to the Workshop on *Leadership, Decision-making and Governance in EU and East Asia: Crisis and Post-crisis* organised by the European Union Centre in Singapore on 21 – 22 November 2011

Prof Nicholas Tarling was invited to give the keynote address at the conference on *Intra-Regional Popular Cultural Flows: Towards an East Asian Identity?* held at the National Chengchi University in Taipei on 17 – 19 April 2011. While in Taiwan, he was also invited by Dong Hua University in Taiwan to give a public lecture on "Britain, the US and the Cold War in Southeast Asia" on 21 April, and then by Cheng Kung University to speak on 26 April to its interested students and staff on "The Korean War and Southeast Asia". On 19 October, he was invited to speak at the Lowy Institute in Sydney on "Southeast Asia: Rivalries, Stereotypes and Antipathies, Past and Present". He was then invited to give a public lecture on "Britain, the US and the Cold War in Southeast Asia" at the History Institute of Vietnam National University, Hanoi on 2 November. The next day, 3 November, he delivered a keynote address, "Status and Security in Southeast Asian State Systems", at the conference on Southeast Asian Studies held in the same university. He was invited again by the Asia Europe Institute at the University of Malaya as a Visiting Professor to lecture on Southeast Asia and ASEAN from 29 November to 2 December. During that time, he was also invited by the History Department (2 December) to speak on "Status and Security in Southeast Asian State Systems".

5. PERSONNEL

In 2011, the Institute was pleased to add two new recruits to its staff complement, Ms Kimberley Wu serving as an External Relations Co-ordinator and Ms Antje Fiedler as a Project Manager. At the same time, NZAI was sorry to lose its Associate Director Gloria Ge, who took up a new position in Hong Kong.

6. FINANCIAL REPORT

Activity Centre/s: 1355 and 1356

Grant Revenue 2011 (NZ\$)

Japan Foundation	41,261
Chiang Ching-Kuo Foundation	28,483
Korea Foundation Endowment Fund Interest	24,920

7. PUBLICATIONS

NZAI

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Staff

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- Yang, J. and Siddiqi, R. (2011). "About an 'All-Weather' Relationship: Security Foundations of Sino-Pak Relations", *Journal of Contemporary China*, 20(71): 563-579.
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8. CONCLUSION

2011 was a collaborative and rewarding year for NZAI. Working closely with interested staff and postgraduate students from the Business School, the Institute continued to build the economic/business dimension of its research portfolio. The Institute's continued success in obtaining institutional grants from international and national sources made possible other research projects and activities it carried out in 2011. Through them, the Institute further substantiated and consolidated its strategic collaborative relations with leading universities and research institutions in the Asian region as well as New Zealand, and in turn, contributed to the internationalisation of the University. With the broader involvement of Asia-related academics and

postgraduate students on campus, NZAI will continue capitalising on the institutional opportunities presented by New Zealand's ever intensified engagement with Asia in 2012.

Professor Hugh Whittaker

Director

February 2012