



APAC News

FROM THE WEATHERHEAD EAST ASIAN INSTITUTE ASIA PACIFIC AFFAIRS COUNCIL

October 24, 2006

Upcoming Events:

- **10/25** Akihiko Tanaka on "Japan, China, South Korea, Taiwan, Hong Kong, Vietnam, and Singapore: A Survey of Mutual Perceptions"
- **10/26** APAC lunch with Prof. Charles Armstrong
- **10/30** Robert M. Orr, Jr. on "Challenges to Japan's Evolving Defense Policy"
- **10/31** Panel with Professors Lu, Curtis and Bernstein on Sino-Japanese Relations

Checking in on Timor-Leste: Conflict Rages Anew

By Brandon Hall



duced it to the global body geo-politic and the complex post-colonial melting pot that is Southeast Asia.

Though its flame burnished in the early going, the tiny state has since devolved into crushing poverty. What is more, in the past months, a violent conflict has suddenly accelerated far beneath media radar.

the oddly expansive scatter-shot of Portugal's empire.

The colony was abandoned in 1974, giving way to a call for unilateral independence that was met quickly by Indonesian suppression.

Over 25 years later, on May 20, 2002, Indonesia succumbed to international pressure and recognized Timorese independence but not before committing its troops to a "scorched earth" policy of withdrawal.

On the edge of Indonesia's archipelago, seemingly adrift in Pacific seas, sits Timor-Leste, the half-island nation whose admirable fight for independence in 2002

Timor-Leste (or East Timor in English) is the sole Portuguese-speaking sovereign in Asia (save the tiny casino-state, Macau), owing its heritage to

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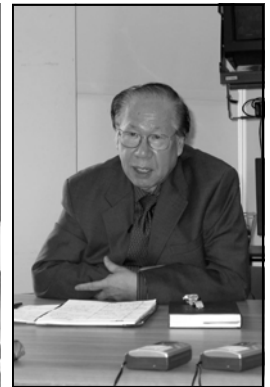
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Professors Samuel Kim and Charles Armstrong shared their perspectives on North Korea's nuclear test claims with a packed audience on October 12. Both asserted that the dramatic move by the Democratic People's Republic of Korea (DPRK) was a logical outcome of what they described as a failed strategy by the Bush administration toward the Korean peninsula.

Professor Armstrong began the talk with a "nuclear history of North Korea" going back to the Second World War, when Japan began its

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Three Officials Share Their Insights on Economic and Political Changes in China

Chinese politics tend to receive broad, dramatic treatment in the American press. We hear of dashing reformers (like former PM Zhu Rongji or deputy environmental minister Pan Yue), hidden power rivalries in the Politburo or village corruption. And we are treated again and again to each reporter's surprise upon arriving in Beijing that China fits neither what the reporter would expect of a "Communist" economy nor of a bourgeois

liberal state.

It was therefore refreshing to hear three P.R.C. officials share from their own experiences and perspectives on poverty alleviation, sports administration, and the proper way of teaching Chinese government during a panel discussion moderated by Professor Thomas Bernstein on October 24.

Chen Yong, Deputy Mayor of Beijing's rural Fangshan District spoke about the difficulty of managing balanced development. His district had long relied on marble quarries and coal mining to raise mountainside residents out of poverty, but was now, he said, witnessing the negative effects of these businesses on

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China's New Labor Contract Law and Corporate Hypocrisy

By Manfred Elfstrom

Multinationals have long blamed abuses against workers in their factories in China on the peculiarities of the country's political system, arguing—quite rightly—that the Chinese government, especially at the local level, does not do enough to enforce its own laws, which are in turn said to be too vague.

However, faced with the prospect of real labor rights regulation, the same companies who once talked so earnestly about rule of law have balked. Many corporations have joined a protest against draft revisions to the Labor Contract Law of the People's Republic of China, which would restrict corporations' ability to hire temporary, uncontracted workers, expand the ability of unions to negotiate working conditions, and most importantly, apply tough criminal penalties to sweatshop bosses.

Shoe giant Nike, for example, used to argue that "it is not realistic nor wise" to demand that companies divest from nations like China that do not have strong collective bargaining traditions. According to Nike, "It is more effective to stay invested in these countries and build greater recognition for these rights."

This is an entirely reasonable position. Yet the American Chamber of Commerce in Shanghai, of which Nike is a member, objects to the new Contract Law because, "It is not feasible to state that an employer's regulations and policies shall be void if they are not adopted through negotiation with the trade union."

Three Chinese Officials, Contd.

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the local environment. In response, officials were trying to introduce forest management as an alternative source of income. However, new jobs had to be spread fairly between the neediest families.

Fu Zhongwei, Deputy Director of the Liaoning Audit Bureau, praised Professor Bernstein's course "Chinese Politics" but cautioned students of Chinese government against relying too heavily on historical events to understand the present. Instead, Mr. Fu suggested directing more attention to China's culture and traditions, which he said

In other words, unions are great in theory, as another bullet point on some vague, aspirational "corporate code of conduct"—just not when you have to actually negotiate with them.

The Chamber of Commerce even lectures Beijing, like some wise elder brother, "National legislation would better not to be too detail-oriented. And it would be better for local authorities to work out such details according to local situations."

Weren't companies saying that the laws were too "loose" and varied before? And aren't local authorities precisely the ones that supposedly can't be trusted with formulating and fairly administering the law?

The real issue at stake here is not this one law, but who gets to shape the moral community of the shop floor—managers alone, or managers alongside labor and the state? What is "fair"? What is a "rational" way of doing business?

Multinationals have warned that the Labor Contract Law means a return to the labor-management relations that prevailed under China's old planned economy.

Would this be such a bad thing?

There certainly were not enough incentives in the Mao era. Workers enjoyed virtually guaranteed lifetime employment at factories, regardless of their performance.

And until the 1980s, employees were locked in tight patron-client relationships

were still powerful forces in driving government policy.

Finally, Deputy Chief of the Liaoning Provincial Sports Administration Song Kai used China's preparation for the 2008 Olympic games to illustrate the political and cultural hurdles that remain to effective governance in the P.R.C., as well as potential positive reforms on the horizon. Mr. Song criticized what he described as the country's myopic focus on winning gold medals in Olympic . He said such a focus neglected the passions of fans for sports like basketball or soccer, which though unlikely to win China any medals,

that Alexander Walder, in a pioneering study, described as "Communist neo-traditionalism."

Yet because of the close-knit nature of socialist-era factory life, workers also commanded a strong voice in plant decisions. And they had to be treated with a minimum of dignity for the whole, precarious system, based on campaigns and slogans, to function.

It is this reciprocity, the idea that a corporation can't just plow ahead but must rally workers behind its proposals, that companies are fighting against in China—and in other parts of the world.

The Chinese government should not bend to the Chamber of Commerce's pressure. Most of these big shots will not leave China if the law is enacted, despite their threats—the law is not really all that harsh and China has many pluses in its favor like solid infrastructure and relative political stability.

Those companies that *do* leave will make way for progress. China cannot compete forever for the bottom rung of the wage ladder if it wants to boost consumption at home. The country must follow the lead of cities like Shanghai in attracting high-skilled and high-paying blue collar jobs.

This will require a changed education policy, new investment incentives... and stronger worker protections like the draft Labor Contract Law.

are more popular with the public. Mr. Song was optimistic, however, that management strategies like BOT ("building-operation-transfer") would take root in China because of the games.

The officials answered questions from the audience about the market economy's effect on traditional morality, the extent of inadequately compensated land grabs by Olympic officials around Beijing and struggles between different levels of local government over implementing policy.

The audience came away with a picture of Chinese politics as revolving around many ordinary but in their own way momentous decisions.

Timor-Leste: Conflict Rages Anew in the World's Infant Sovereign

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Following its induction to the United Nations, scant international attention was paid to the country as multilateral agencies, donor nations, and international NGOs sought to speed the process of nationwide economic development and institution-building in the capital city of Dili.

May 2005 saw the completion of an agreement with Australia to tap rich oil and gas fields beneath the Timor Sea, and the future appeared to brighten. Not until the release of a March report by the UN Development Programme (UNDP), did Timor-Leste's grim realities surface:

An economy failing just as the UN in-country reconstruction operation was set to pull out; nearly 50% of the population living on or under \$0.55/day; and a widening rift between the people of the East and the West.

Thus were the seeds sown for a renewed cycle of conflict.

In late April of this year, chaos erupted in the streets of Dili, where a peaceful march of unemployed former soldiers quickly turned deadly. Clashes between rebel and government soldiers were soon followed by

troop-defections and the staging of a quasi-military coup, in which the then Prime Minister, Mari Alkatiri, after some perceived malfeasance, was forced from office.

From that point, entropy ruled as street gangs joined forces with rival troop factions and widespread looting ravaged Dili. International peacekeepers, from Australia predominantly, were dispatched in May and June to quell the violence, but it appears that their work is cut out for them.

As recently as this past week, fighting has raged anew, and for the first time, the airport has been closed down for security. A humanitarian crisis is seemingly unfolding. To what extent the international community will continue to provide protection for civilians is unclear.

As it is, Timor-Leste has frittered away to corruption significant amounts of the aid money received in 1999 not to mention the newly generated oil and gas revenues from a year prior.

A UN report, published in the past two weeks, places blame squarely on the shoulders of former prime minister Mari

Alkatiri. In essence, it seems that the government in place, now overseen by President Xanana Gusmão, has set an extremely poor example for nation-building. The rift between factions supporting either Gusmão or the dispatched prime minister, deepened by already divisive regional loyalties, has created what some have described as a "national personality disorder".

The next steps for the international community will be crucial as the future of this infant nation hangs in the balance.



A Timorese shop-owner in Dili's central marketplace (Photo courtesy of AFP)

Talk by Armstrong and Kim, Contd.

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unsuccessful atomic weapons program, through General MacArthur's request to use nuclear force during the Korean War and America's belated removal of tactical nuclear weapons from South Korea in 1991, to the recurrent struggles over the DPRK's nuclear capacity beginning in 1993 and culminating in last week's announcement of the Communist state's first weapons test.

Armstrong called the United States' current policy a two-tier, "schizophrenic" approach that for all its intermittent bluster ultimately amounted to speaking loudly and carrying a small stick.

Professor Kim concurred, saying that while the Clinton administration outlined clear incentives and disincentives to steer the DPRK away from acquiring nuclear weapons, Bush has neither offered a real package of rewards for North Korea—unlike Libya,



South Korean soldiers patrol near DMZ (Photo courtesy of AP)

South Africa and others who were rewarded for ending their WMD programs—nor shown an ability to respond forcefully to the DPRK's provocations.

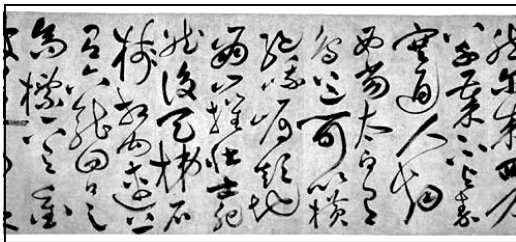
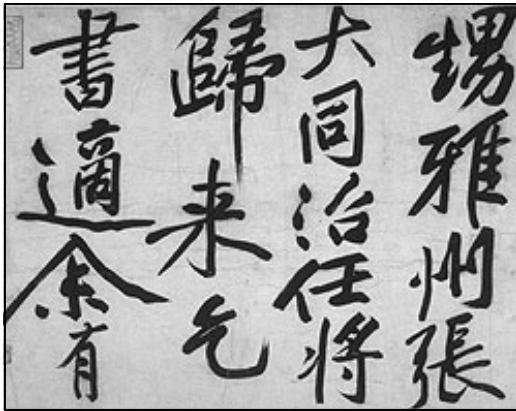
In the face of American ambiguity about its intentions, both professors believed that the DPRK acted rationally in creating a nuclear deterrent.

The key for the U.S. now, according to the professors, is to engage in one-on-one talks with Kim Jong Il.

Armstrong and Kim answered questions about China's plans for the DPRK if it were to collapse, South Korean public opinion of recent events, the stability of the Kim Jong Il regime, and Japan's role in the crisis (Kim disputed the term "crisis", saying the issue had been brewing for some time).

APAC will host a brown bag lunch with Professor Armstrong on Thursday, October 26 at Faculty House. All are invited but space will be limited.

Calligraphy Now on View at the Met
(Images courtesy of www.metmuseum.org)



Asia-Related Events On and Off Campus

Wednesday, October 25

Lecture by Renqiu Yu: "Chiang Kai-Shek and Mao Zedong" The China Institute, 125 East 65th Street, 6:30-8:00pm, \$25 Admission

Thursday, October 26

Lecture By Yao Chongxin: "A Reexamination of Northern Qi Buddhist Stone Sculptures of Qingzhou, Shandong" Faculty House, 5:30-7:00pm

Lecture by Glen S. Fukushima: "High Hurdles: The Airbus Challenge in Japan" The Japan Society, 333 E. 47th Street, 12:00-2:00pm, \$15 Admission

APAC Lunch with Professor Charles Armstrong on the North Korean Nuclear Issue Faculty House, 12:00-1:30pm, Reservation Required

Film Screening: "S21: The Khmer Rouge Killing Machine" Martin E. Segal Theater, The Graduate Center, CUNY, 365 Fifth Ave. (between 34th and 35th), 6:30-8:00pm

Monday, October 30

Lecture by Robert M. Orr, Jr.: "Challenges to Japan's Evolving Defense Policy" 918 IAB, 12:00-1:30pm

Tuesday, October 31

Discussion with Ashok Soota: "Building Human and Intellectual Capital and the Role of Mindtree" Asia Society, 725 Park Ave, New York, 12:00-2:00pm, \$35 with student ID

APAC Panel: "The Future of Sino-Japanese Relations" with Professors Lu, Curtis and Bernstein, 707 IAB, 6:30-8:00pm

Jobs and Internships

Jobs

The Heritage Foundation is seeking a Southeast Asia specialist for a Senior Policy Analyst position. Applicants must at least know one of its languages and have strong writing skills. BA required, MA preferred. For more information, visit <http://www.heritage.org/About/Careers/JobDetails.cfm?JobID=22>

Human Rights in China is seeking a Law Program Officer to oversee case management, strategy and coordination; prepare specific policy, case and legal briefs and submissions to human rights mechanisms at the UN; and to contribute to the overall strategic development of the organization. A J.D. or equivalent, Mandarin language skills and 3-5 years human rights-related experience required. If interested, send a cover letter, references and resume to jobs@hrichina.org.

Lehman Brothers is seeking full-time and summer associates and analysts for its offices in Tokyo, Hong Kong, Seoul, Shanghai, Singapore,

Bangkok, and Mumbai. Applicants should be interested in real estate / investment and be fluent in an Asian language. Those interested should send a resume and cover letter to: campusrecruit.asia@lehman.com

The New York Asian Women's Center, which addresses issues of domestic violence and sexual assault in the Asian community, is seeking a counselor with Mandarin language skills. Applicants must have a BA in psychology, social work or a related field. Send a resume and cover letter to NSINGH@NYAWC.ORG if interested.

Shensei Bank, Ltd. is seeking an MA /BA degree holder with business-level Japanese and English skills and experience in investments or insurance. To apply, contact Ms. Chihiro Shinkai at: chihiro.shinkai@shenseibank.com.

A Dealer in Korean and Japanese art is seeking a part-time assistant for about 10 hours per week, flexible hours. For more information, e-mail Lee R. Sneider at learsneider@aol.com or call 212-724-6171.

Internships

Human Rights in China, based in New York City, is seeking journalism interns for the spring semester to conduct media analysis and translate and edit press releases and articles of the journal *China Rights Forum*. Fluency Mandarin Chinese is required. If interested, send a resume, cover letter (indicating areas of specialization) and writing sample to internships@hrichina.org

The International Refugee Rights Initiative is seeking a short-term intern with knowledge of Chinese foreign policy to help in the next week and a half to prepare a briefing paper on Sino-African relations before the upcoming China Africa Summit. For more information, contact Olivia Bueno at olivia.bueno@refugeerights.org—quickly!

Please pass along any other opportunities you hear of!