

RELACIONES INTERNACIONALES



HUMAN RIGHTS VS. TRADE RELATIONS: A GAME OF MULTIPLE PLAYERS



Por
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Abstract

China's rapid development has positioned the country as the second economy of the world, and today constitutes one of the most important trading partners. Nevertheless, the transformation of China has required drastic measures and the development of internal policies usually unpopular in the developed world. Human Rights are one of the major concerns and the focus of critics to the country. Relations between North American countries with China have evolved throughout time, and have been characterized for intends to reach a common understanding in political matters, and strong economic relations. The challenge now seems to be how to address the increasing dichotomy between human rights and economic interests when managing relations between United States and Canada and the Asian giant.

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China is the most important and prominent example of development in the recent history, few years after Mao's revolution, its isolation from the international system and a complex internal transition; it has become the second economy of the world, one of the major trading partners of developed and developing countries, also appears as an important military power. As China rises, its relations with other world actors are changing, and the capacity of United States to influence on others internal policies cannot be applied to the Asian giant as in the rest of the world. Canada with its role as a middle power has had a different approach and relations with China that have varied through time. What both of North American super powers have in common on their relation with China are the increasing economic ties, and their shared concerns about human rights violations that have often affected trade relations. Despite some intends to intervene, China has always appealed to their sovereignty on internal issues, and to the nonintervention as one of the main directives of its foreign policy. Then if one takes into account the role of Canada and United States as defenders of democracy and human rights as universal values, economic interests and trade are expected to be coherent with such values. Policies promoting human rights in China are required, but such policies should take into account China's situation and its importance on the system, however, more active and decisive policies are required in which concerns to the role of business regarding human rights.

China, the first country of the world in terms of population (1,338,299,512) and the second largest economy with a GDP (PPP) of \$10.09 trillion growing at an annual rate of 10.3%, is becoming one of the most important actor in the international arena, one can say that Beijing is defining the international system as much as Washington does (World Bank,2010). China is also the main financier of the U.S. deficit with the destination of an important amount of its foreign earnings to the purchase of American Treasury Bonds, its commercial and economic ties with the developed and the developing world are increasing more and more. In general, China's economy is deeply integrated to the world, and its acceptance in the World Trade Organization in 2001, has accelerated this trend. China has aimed to modernize its industry, agriculture and it is making important investments on science, Technology, and in sensitive areas such as military defense (Jiang, 2009).

It is possible that China is following a similar path to other industrialized States, but what is different and worrying for some is the political system. China is a Communist State with a market oriented economy, contradictory for some, but accurate and successful for others. The position of China as one of the largest trading nations in the world (Chinese trade with North America has increased 163% between 2001 and 2005)and as a significant player in setting the prices of important commodities, among other factors, is increasing the dependence of the entire world with China (Jiang, 2009). But along with this dependence is increasing the preoccupation of the international system about some internal issues, and the externalities of China's development.

Social issues, human rights and environment are the core of the concern over China. The social level is key to understand many of the other concerns. With a population above 1.300 million people, China is a country where in 2009 21.5 million rural population lived below the official "absolute poverty" line (approximately \$90 per year); and an additional 35.5 million (more than the entire population of Canada) rural population live above that level but below the official "low income" line (approximately

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\$125 per year) (World Bank, 2010). China has made a lot of improvements by reducing poverty from about 85% in 1981 to less than 16% in the first years of the XXI century. But those improvements also mean negative consequences such as the massive migration of people looking for a better quality of life in the cities, what is having a direct impact on the living standards, pollution, wages and working conditions (Shah, 2011).

Getting to the discussion on Human Rights, multiple international organizations, NGO's, Civil society and foreign governments including those of Canada and United States, have constantly made emphasis on the violation of human rights by communist Government of China, and specially since 1989 (Riotte, 2008). Today China has signed international Treaties on human rights, it also has amended the Constitution and they are supposed to guarantee their people's basic human rights. Nevertheless, Amnesty International, and multiple civil rights movements denounced government restraints and violations in different areas. First, China remains as a one-party-state with not elections and without an independent judiciary system. Some of the key areas of concerning are: the death penalty makes China the leader in terms of executions, providing the 72% of the world's total; there is a constant prosecution of human rights leaders and people in any field who speaks about sensitive issues; internet repression and media freedom is worsening, and thousands of websites have been closed, television contents are supervised and furthermore China has been described as "the world's leading jailer of journalists"(Amnesty, 2011); it bans independent trade unions; it represses minorities such as the Tibetans, Uighurs, and Mongolians but also religious minorities; torture practices are common; and finally the situation of workers is a major concern.

Surprisingly, bilateral relations between Canada and China have been more complex than Sino-American Relations, and these tensions can be explained by the principle of Civility of the Canadian Foreign Policy, which gives big importance to Human Rights and humanitarian issues.

Formers Canadian Prime Ministers have foreseen today's China's position on the International System. Back in 70s Canada "displayed vision and courage in bringing China into the world community"(Jiang, 2009: 900) establishing diplomatic relations with the isolated Beijing, then by engaging China to multilateral diplomacy during the 80s, after that, liberal governments between 1993 and 2006 had active economic and political relations with China, hence, Canada was one of the most important and trustworthy partners of China, who catalogued their relation as an "strategic partnership"(Jiang, 2009: 897). Then with the conservative Government of Stephen Harper since 2006, the Human Rights-key on bilateral relations until 1989 became crucial once again, and the term "strategic partnership" was replaced by the term "constructive and comprehensive relationship" (Jiang, 2009: 898).

Nevertheless the new approach to Human Rights was different from the one of the past: a passive strategy that intended to avoid open confrontation and influence Chinese behavior in an indirect a subtle way. Harper has been more direct and has often affirmed: that Canadians want us to promote trade relations world wide, but they don't want to sell out important Canadian values such as the belief in democracy, freedom, human rights.¹⁰ that was a reaffirmation of the traditional approach of Canadian Foreign Policy but it also made Human Rights and trade objectives mutually exclusive. On this way of conducting affairs with China Prime Minister Harper has declared the Dalai Lama an honorable Canadian Citizen, what has been perceived by Beijing as support to separatist movements in China. In general while political relations can be qualified as cold, trade and economic relations haven't been abandoned but neither encouraged.

Canada cannot ignore the core values of its foreign policy; neither can it ignore China's importance in the world system. Harper is making a mistake (even if he is right) when affirming that China "should not be rewarded for its bad human-rights behavior and that they should learn to live with political criticism" (Harper, 2006). Going against China is going against Canadian economic interests, "Globalization will spur commerce between the two countries, but when it comes to large projects; it is the countries that have positive political relations with China that will be given priority" (Jiang, 2009: 907). Furthermore, Canada should resort to its past experience with China, and realize that if they keep addressing human rights in such a way, taking distance with China in terms politics and economics; Canada's role as a humanitarian actor and human rights defender won't be relevant in transforming China.

As it was already mentioned, in the last years relations of China with United States have been easier than those with Canada. As the world main economies they have to carefully manage their political and trade relations, more than human rights the key issue concerning U.S. is the enforcement of China's Military. The relation has been denominated as a "strategic understanding", the idea is to promote cooperation and avoid conflicts. The historical visit of the Chinese president has furthered US-China relations, and both sides resolved to work together to build a cooperative partnership based on mutual respect and mutual benefit. President Obama expressed that Americans "have some core views of the universality of certain rights: freedom of speech, freedom of religion, freedom of assembly" (Guardian, 2011) and that those rights' violations were usually source of tension between the two nations, while president Hu recognized that China has work to do on Human Rights, and expresses the willingness of China to discuss this issue with Washington on the basis of equality, mutual respect and an understanding of different National Situations.

Recapitulating Worker rights' violations in China, it is a commonly avoided topic by foreign Governments when making statements about Human rights. The greater focus is made on the lack of democracy, freedom of speech and off course Tibet which is a highly discussed issue in the media. This is one of the aspects where Business should not be only business, and foreign



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governments should take measures. In China trade unions remain illegal, many companies do not grant the minimum working conditions, wages are too low or even exist and for worst kids are hired or even forced to work (Global Labor Strategies, 2011: 01).

Multinationals enjoy the low costs of operating in china at the sake of the environment and human rights, which universal character is constantly appealed by westerns governments when criticizing Chinese system. These critics are to be consider hypocrite as long as (Jiang, 2009: 894) western countries, not only Canada and U.S., continue perceiving advantages for their economies, and facilitating the way for their multinational enterprises to remain outside international conventions (United Nations Global compact) at the sake of those universal values, some of which are contained in national and international law as responsibilities of business. [child labor, freely chosen employment, wages and working conditions inhuman treatment](Global Labor Strategies, 2011).

Governments of Canada, and United States should then, promote corporate social responsibility among their national Businesses(where they can somehow intervene), rejecting and making pressure over those companies such as the group of US-based global corporations (Wal-Mart, Google, UPS, Microsoft, Nike, AT&T, and Intel) lobbying against the Chinese initiative on workers' rights, using organizations like the American Chamber of Commerce in Shanghai and the US-China Business Council for their purpose of blocking an initiative that would only provide workers with minimum standards, such as enforceable labor contracts, payment of compensations, and negotiations over workplace policies and procedures (Global Labor Strategies, 2011).

It is important to understand that the international system is not only composed by Nation states, NGO's and Multinational Corporations are key players. Moreover, thus, the best way to harmonize political relations regarding human rights without affecting trade relations is to appeal to that "commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life, in ways that are both good for business and good for development." And in a certain way go against the business' interests of maintaining the status quo regarding human rights in China (World Bank, 2003: 5).

The key for both United States and Canada is to understand that China cannot be changed from the outside. What they have to do is to tackle the topic of human rights in a way that facilitate changes without directly intervening on internal affairs, changes that move the Asian country in the direction of more openness, more transparency and accountability to its people and to the international system (Jiang, 2009: 908). This non-intervention does not mean promoting human rights violations, and United States and Canada should understand and deal with the role of their National Corporations on supporting, engaging and taking advantage such situations, especially in labor issues, because one cannot be on one side promoting Human rights and accusing other to violate them, while on the other hand one's economy is taking direct advantage of those violations, and worst being direct actors trying to block intends of amelioration.

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