

## **Keynote Speech by Senator Vivienne Poy**

**York Centre for Asian Research –  
York University**

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Honoured guests, fellow academics:

Thank you for being here to help us celebrate the launch of this Asian Research Award, which York University very kindly named after me.

Why, you may ask, is research on Asia important?

Today, technological advances have made it possible for us to receive news from the other side of the world instantly, and with frequent international travels, the world is getting much smaller. However, there is still a very big part of the world the West knows little about, and that part is Asia. East and West need to learn more about each other because we should know our neighbours.

Just think of the recent negative stories dominating the media about goods made in China, which convinces me that there has to be more knowledge in the West about Asia.

You have all heard about the recalls of Mattel's toys, and the very belated apology by the executives of Mattel, because the vast majority of products recalled for safety reasons had U.S. design problems. China's product safety chief, Li Changjiang, criticized Mattel for weak safety controls. Incidents like these have damaged China's aspirations to become a centre of high-quality production.

I was recently in South Korea on a Parliamentary delegation, and read in one of the English language newspapers that retailers are putting out signs that read, "not made in China" to sell their products. It shows what the media can do by portraying all Chinese products as being inferior.

I believe some of the media coverage was politically motivated. A very good example is that, despite Mattel Inc. accepting the blame for its design flaws, the U.S. congress is still calling for tough actions against

China. This is not a topic I will go into any further at this time, but the negative effects of misleading stories in the media can be overcome if consumers are better informed.

Most of us know that a large percentage of everything we use daily is made in China, so from a practical stand point, not buying anything made there will cause havoc in our daily lives. That is why research about Asia is so important, because information that becomes common knowledge will dispel ignorance about different regions of the world, and will help purchasers to distinguish between the truth and hype from the media.

I wonder how many of you know that toy exports represented less than 1% of China's overseas sales last year, and the items recalled by Mattel are only 0.3 % of toys imported by the U.S. in 2006. However, the backlash against Chinese products has quickly transformed into a wider suspicion of a culture that is not Western, and therefore, is to be feared.

Asia is made up of many countries and ancient cultures, all very different from those in the West. Think of the vastness of China and India, with its many different indigenous languages, religions, and cultures. China is a communist country, but India is similar to us in that it is a democracy, and English is widely spoken in its major cities. However, their huge populations, in remote communities, are removed from Western influence, and little has changed there over the past centuries. People there live by their ancient philosophies, distinct histories, and within institutional and government structures that most Westerners do not understand. When faced with its reality, many will respond by refusing to engage with Asia. But, in the global society in which we live, Asia is just next door.

The reaction in the West to the emerging economies of China and India can be compared with the response to Japan a number of years ago. I still remember the perception of Japanese manufactured goods soon after the World War II – they were considered cheap and badly made. We do know that their manufacturers shifted from toys and trinkets to technologically advanced products like cameras, transistors and cars.

Initially, Japan's rise to prominence on the world stage was viewed with great wariness, if not outright rejection. Gradually, people began to appreciate the technological, economic, and cultural characteristics of Japan. Eventually, there was a sense in the West that we could learn from Japan,

and through the magic of communications, many aspects of Japanese culture and business are now quite familiar to Westerners. The same will happen with China and India.

Besides cultural understanding, Canada needs to build our relationships with the fast growing economies of Asia. In comparison with other western countries, we are sadly lagging behind.

Let's take one example – our trade with Japan. Japan is Canada's 3<sup>rd</sup> largest destination for our exports and we are the fourth largest recipient of their imports. Let's compare Canada with Australia, two countries which are very similar. Japan is now Australia's largest export market. In the last 10 years, Australia has increased its exports to Japan by 110%, while Canada's exports to Japan decreased by 11% over the same period.

While Australia is gaining a strong foothold in the Asian market, Canada remains largely dependent on the U.S. for trade, and has failed to take advantage of all the new opportunities in the emerging economies in Asia. Of particular note is the absence of India as a major trading partner.

Following the Asia Pacific Summit of 2006, International Trade Minister, David Emerson, deemed Canada to be “invisible” in Southeast Asia. The U.S., Australia, and China have surpassed Canada, and established a firm foothold in both East and Southeast Asia's growing markets, by establishing free-trade agreements. Canada lags in investments, in both regions, well behind the U.S., and Australia.

Consider that, over the course of 10 years, Canadian exports to Asia increased by 28%, while Australia's exports to the region increased by 125% over the same period. In 2003, Australia won a \$25 billion liquefied natural gas contract from China, the largest trade deal in Australian history!

So far, our government has focused on the much touted Asia Pacific Gateway to spur trade with the Asia Pacific region. Funded by the federal government, with the support of B.C., the Gateway focuses on road, rail, and container port capacity enhancement. Compared with a country like Australia, which is similar to our own in terms of size, demographics, and its resource base, we will quickly realize that infrastructure is not enough.

Why is Team Australia so successful? Their government focused on building strong economic ties with Asia. Team Australia set aside the differences between the different levels of government, and integrated business and universities into its strategy. It encouraged the business community to build links with Asian businesses, and supported universities with substantial resources to create research, business and academic programmes on Asia in co-operation with universities in Asia.

Another weakness we have is the branding of Canada. Our former Industry Minister, John Manley, once famously quipped that Canada was known as a nation of “fun-loving people who produce beer and hockey players.” According to the Asia Pacific study taken a few years ago, “Canada is not associated with quality products, economic dynamism, or a favourable business climate.” The only advantage we have is that we are known as very polite people. Even the multicultural character of our nation, with its high levels of bilingual individuals, is not widely recognized.

How can we change this perception? One of the ways is through encouraging cultural exports, in which we have a large and growing deficit. Despite that, the present government has cut funding in this area. This failure of our government to understand the link between the cultural industry, branding, and trade is part of the larger myopic approach taken towards Asia.

It is well known that our present government in Ottawa is turning its back on Asia, with all its attention focused firmly on the U.S. It has done much to provoke China, and shows little interest in India. The relationship is so strained that, although the ceremonial Olympic torch will be carried around the world to herald the opening of the games in China, it will not touch down in Vancouver - the site of the 2010 Winter Olympics.

I'll quote Paul Evans of the Asia Pacific Foundation: “There's a large suspicion – an anxiety – that this is a signal of the deteriorated state of Canada-China relations.” Nancy Hughes Anthony, the former CEO of the Canadian Chamber of Commerce, points out that no one is perfect, but that a well of goodwill is needed if Canadian businesses are going to be able to do business in China.

The relationship between human rights and trade remains a contentious one which doesn't just apply to China – it might be said to apply

to many of the economies in the Asian region. Engagement used to be a fundamental tenet of Canada's approach to human rights, which meant high level dialogues between officials, as well as interactions in civil society, such as between academic institutions and NGOs. The present government's strategy of lecturing and posturing for a domestic audience is frankly ludicrous.

Our immigration policies in the last 40 years have helped to make Canada a pluralistic country, with China and India as the major source countries of our immigrants. This has been referred to the "Asianization" of Canada. Last Friday in the *Globe & Mail*, Wallace Immen quoted a poll of 1,000 employees and managers by Leger Marketing for Xerox Research Centre of Canada which found that 79% of those surveyed said that Canada's cultural diversity will give companies a competitive advantage in the global economy in the future. 96% said that they seek the advice of those with a different background when solving business problems.

In Canada, we have the opportunity to live amongst diverse cultures, and we should make use of the fact that Canada is an Asia Pacific nation, not only because of our geography, but also because Asia is essential to Canada's future, economically and culturally. York University, and the York Centre for Asian Research, with its interdisciplinary focus on Asian research, can help to provide the knowledge and resources for Canada to build a better understanding of a region which is crucial to our future as a nation.

As China and India, in particular, each with over a billion people, grow in importance in the global economy, the York Centre for Asian Research can play a role in helping to educate politicians, policy makers, corporations, and the public, about Asia. It can also help develop university and civil society linkages with Asian countries that will prove invaluable.

Thank you.