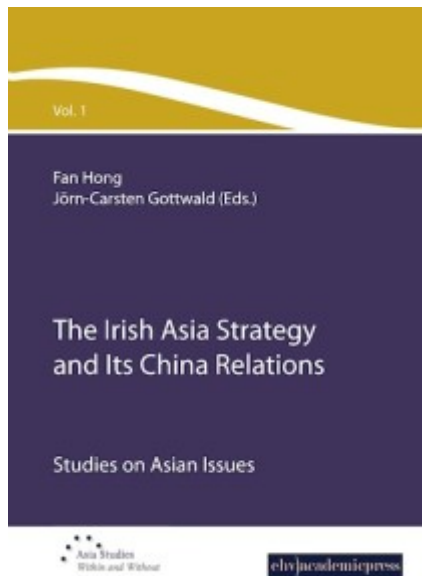


# Chapter 5: Creating an Asia Strategy ~ The Irish Asia Strategy and Its China Relations



## 5.1 Introduction - the Context

The emergence of the Asian economies as major economic forces over the past two decades has been nothing short of remarkable. Indeed China alone has enjoyed average annual growth rates in excess of 9% over the past twenty years to become the sixth largest economy in the world in terms of GDP and the second largest trading nation. India too has been achieving similar growth rates in recent years and is currently the world's twelfth ranking economy in terms of GDP. The phenomenon has been such as to lead some commentators to dub the twenty-first century as the 'Century of Asia'. This growing economic power brings with it an increasing ability to shape and influence political and economic developments throughout the world.

From an Irish perspective it is important in its own right that we should seek to foster strong political relations with these countries and this region. From an economic perspective, the emergence of these economies presents an important opportunity for Ireland. Success in international markets has been at the core of our economic development and will be the driving force for our long-term economic growth.

This then was the background which helped shape thinking about Irish/Asian relationships. Other key issues which helped focus attention on the Asian region included:

- The very high level of sophistication, both in terms of their production methods and their products, being achieved by the more advanced Asian economies. That sophistication presented clear opportunities for Irish companies, especially in the high-tech sectors, both in terms of sales and in partnerships/investment relationships.

- The performance of the Asian economies over previous years and, in particular, the manner in which they recovered from the crises of 1997-1998, reaffirmed the importance of this region to global commerce.
- Average growth since 1990 had been substantial in many Asian economies, most notably China, India, Malaysia, Singapore, Korea and Vietnam. Indeed the term devised to describe this growth, the '*Asian Tiger*', was subsequently adapted to designate Ireland's strong economic growth as the '*Celtic Tiger*'. Industrial growth had been phenomenal. The growth in services has also been impressive, reflecting greater productive specialisation as well as higher personal incomes.

### 5.2 *Background to Irish Trade Development*

The background to Irish trade development is that since the 1960's, when Ireland's trade was mostly with the UK (at one stage accounting for 75% of our exports), the Irish Government has endeavoured to support a diversification of our exports and develop new markets, both to expand the level of exports overall and to avoid over-dependence on any single area. The success of this policy, driven by strong levels of inward foreign direct investment, a benign enterprise environment, the development of the Single Market, and other appropriate framework conditions, has led to the current position (2007) where some 60% of our exports go to EU countries, the USA is our single largest export market (about 20%) and our exports to Britain are now down to just under 20%. Nevertheless, despite this more balanced position, there is an imperative for our companies and enterprises to continually seek out new markets and be aware of regions of the world which are showing strong growth conditions. With increasing globalisation, expanded membership of the World Trade Organisation (WTO), the success of the WTO in lowering tariffs worldwide and cheaper transport costs, more distant markets require an increased level of attention and support so as to capture the opportunities they present.

### 5.3 *The Emergence of the Asia Strategy*

There was a realisation that there was a need to bring focus and coherence to both Government and private sector endeavour to strengthen political and economic relationships with Asia. The actual catalyst for the development of an 'Asia Strategy', as such, derived from the visit by the Taoiseach, Mr. Bertie Ahern TD and other delegates, to China in 1998. It was considered that such a strategy would establish a formal context in which the public and private sectors could work cooperatively to realise the economic and other benefits that deeper

political and economic linkages with Asian countries can confer. Following a wide-ranging consultation with both public and private bodies, the '*Asia Strategy 1999 to 2004*' was developed and adopted. Its aims were to increase the proportion of Irish exports going to Asia, exploring new opportunities in a fast developing part of the world and developing partnerships and investment in the region.

The Strategy set out a series of challenging targets and objectives for the first five years (1999 -2004) of what was envisaged to be a ten year programme. An essential starting point was the initiation of an extensive campaign of raising awareness of Ireland with key decision makers in Asia. This awareness campaign included the preparation of publications and information material, more inward and outward visits (including Trade Missions) and the expansion of diplomatic activities. In addition, specific targets were set for export expansion and increasing the level of Irish company activity in the region.

#### *5.4 The Indigenous Sector and the Role of Enterprise Ireland*

Government trade policy has for many years focussed on assisting the indigenous i.e. Irish owned firms to develop their export potential, as they are less well able to develop new export markets than multinational companies, who are considered to have sufficient resources to develop their own exporting activities. In pursuance of this policy, the development agency *Enterprise Ireland*, was established in 1998 in a consolidation of various State development agencies. This agency works to accelerate the development of world-class Irish companies to achieve strong positions in global markets. A significant area of its activity is to help companies achieve export sales and it took over the role on trade promotion from the former Irish Trade Board. Enterprise Ireland has over 30 offices overseas and, as an agency of the Department of Enterprise, Trade and Employment, is the key body to implement the Department's Trade agenda, including the Asia Strategy. The work of Enterprise Ireland was therefore considered crucial in supporting Irish indigenous companies make a breakthrough into Asian markets in pursuit of the aims of the Asia Strategy. By 2004 Enterprise Ireland (EI) had established offices in Shanghai, Beijing, Hong Kong, Guangzhou, Kuala Lumpur, Singapore, Seoul and Tokyo. They also operated in other locations in Asia as the commercial section of an Embassy or Consulate. In all cases, the level of coordination and communication between diplomatic missions and the State's trade promotion agencies - particularly Enterprise Ireland - is of the highest standard.

### *5.5 Role of Irish Embassies Abroad*

Embassies also play a vital role abroad in enhancing both political and economic relations. They are the eyes and ears in their country of accreditation, the interface with the local administration, and key network facilitators and door-openers for enterprises seeking to do business in those countries. They coordinate very closely with the economic promotional agencies within the region to develop plans for the development of foreign earnings and they use their own resources to build on the efforts of the agencies where appropriate. Without the support of the Embassy in many countries it would be very difficult to gain appropriate access for trade missions and visiting official delegations seeking to enhance economic relations. Embassy officials establish significant commercial contacts in their work. The Embassies' wider role in the development of relations - at political and cultural levels, for instance - also contributes to the awareness of Ireland in Asia at the economic level. Their engagement in the development and implementation of the strategy is indispensable.

### *5.6 Progress during the First Phase*

During the period 1999 - 2004 the various tasks as set out in the strategy document were pursued vigorously and a review of progress was undertaken in 2004. The outcome can be summarised as follows:

#### *Awareness Raising*

Extensive work has been undertaken to raise awareness of Ireland among key economic and political decision-makers in Asia and a total of € 2 million was expended for this purpose. Financial and logistical support was given for visits to Ireland by key media personnel and others, with roles in informing opinion and relaying information in Asia. A wide range of publications was produced by various bodies. In addition, exhibitions and conferences were supported. As well as the direct involvement by state bodies, some of these initiatives were undertaken (with State funding) by organisations such as IBEC, the Irish Exporters Association, the Chambers of Commerce in Ireland and the Educational group MEI-RELSA. Progress was also made in the development of long-term institutional arrangements between representative Irish business organisations and their counterparts in Asian countries.

#### *High Level outward visits*

- In 2000 the then Tánaiste and Minister for Enterprise, Trade and Employment, Ms. Mary Harney TD, led a multi-sectoral trade mission to China with 51

participating companies.

- A trade mission to Japan was organised in 2001 with 50 companies; a major education exhibition was held in China with 21 participants the same year.
- An education and software mission to India in 2002 with 20 participants was led by Minister of State Mr. Michael Ahern TD.
- The then largest ever trade mission to China was led by President McAleese in 2003 with 84 companies participating; and a first ever trade mission to Vietnam was organised in the same year.
- In late 2004, then Taoiseach Bertie Ahern paid an official visit to Vietnam (the first visit of an Irish Taoiseach to Vietnam). Over the course of his trip he also paid official visits to Malaysia, Singapore and Bahrain.
- A multi-sectoral trade mission, led by then Minister for Enterprise Trade and Employment, Mr. Mícheál Martin TD, visited Korea and Japan in mid-November 2004. Over 40 companies participated in this first ever trade mission to Korea.

#### *Inward visits*

- A number of inward visits were arranged by Enterprise Ireland from the region, with over 60 delegations at official and business level visiting Ireland. The majority of these have come from China and, overall this level of activity is evidence of the growing profile Ireland enjoys in the region as a whole.
- Significant political highlights over the course of the first phase of the Asia Strategy programme included a visits Premiers Zhu Rongji and Wen Jiabao.

#### *Progress on Trade*

From a bilateral trade development perspective, the following advances have been achieved:

- In the course of the Asia Strategy 1999 to 2004, trade exports have increased from € 3.6 billion to about € 6 billion to the region as a whole.
- Total exports to Asian countries from indigenous Irish companies are estimated at € 321 million in 2003, an increase of about 15% on the 1997 level.
- Exports to China increased dramatically - annual export growth averaged around 20% between 1997 and 2003.
- The resource commitment that Irish companies are making to the region has manifested itself through the increasing numbers that have established a market presence there, as against making occasional visits. Market based presence of Irish owned companies had increased from 46 in 1999 to 93 in 2003.
- Since the inception of the Asia Strategy, diplomatic representation in the region

was increased by the allocation of additional diplomats to the Embassies in Tokyo and Beijing, the opening of an Embassy in Singapore and the opening of a Consulate in Shanghai.

### *5.7 Next Phase of the Strategy*

Given the progress which was made and the potential still to be realised, it was recognised that there was a need to further build on these achievements by extending and adapting the strategy, as necessary, for a further five years i.e. 2005 - 2009.

On the basis that Asia is a huge geographic area with widely differing population densities and economic characteristics, it was recognised, in terms of optimum deployment of resources, that there would have to be some selectivity in terms of the focus of the strategy. Eight countries in particular were chosen viz. China, India, Japan, South Korea, Malaysia, Singapore, Indonesia and Vietnam. This is not to the exclusion of developing business and trade relationships with other emerging economies in the region, in particular, Thailand and the Philippines, as opportunities present themselves.

A focussed second phase of the strategy for these eight countries to cover the period 2005 - 2009 was drawn up and launched by then Taoiseach Mr. Bertie Ahern, TD, and then Minister for Enterprise Trade Employment, Mr. Mícheál Martin TD, in April 2005. This strategy sets out a number of key objectives, the most significant being a target for the value of goods exports to the priority countries to reach € 9 billion by 2009.

*Some of the significant other targets are as follows:*

- Make progress on the legal and other issues involved in Ireland joining the Asia Development Bank (ADB)[i].
- Education targets to 2009 - 17,000 incoming students from the priority countries, including Malaysia (2,500), China (>5,000), India (4,000), Korea (1,000).
- Initiate a three year tourism development programme in China.
- Tourism target - 150,000 from all Asia.
- Goals of increasing dairy products sales and the establishment and expansion of trade in pigmeat, beef, food ingredients and alcoholic drinks to Asia.
- Goal of attaining agricultural products sales of € 390 million to Asia by 2009.
- Increase the profile of Ireland as a supplier of quality food and drink.
- Increase the exports of seafood and related products to Asia.

- Pursue Enterprise Ireland's target of establishing 215 Irish companies in Asia by 2009 and, in addition, actively market educational services.
- Continue the programme of structured high-level visits to the region, which help to deepen relations at a political level and raise Ireland's profile.
- Continue our programme of targeted visits by journalists from the region.
- Synergies with Culture Ireland in relation to the Asia strategy.
- Increase and diversify college- to- college links and cooperative arrangements.
- Progress on implementation of the report on the Internationalisation of Irish Education Services.
- Develop a focussed Graduate placement programme.
- Reinforce progress of collaboration between Science Foundation Ireland and counterpart Asian organisations.

The strategy is being monitored by a High Level Oversight Group. It is chaired by myself, as Secretary General of the Department of Enterprise, Trade and Employment. Other members include a small number of Departmental/Agency representatives and some specialists from the private sector. The group held its first meeting in late 2005 and has met regularly since.

## *5.8 Progress in First Two Years of the Second Phase of Asia Strategy (2005 - 2007)*

### *5.8.1 Overall Export Target*

The core objective of the Asia Strategy 2005-2009 is to develop relationships between Governments, business organisations and Irish and Asian peoples generally. This is in support of the central focus on increasing the value of Irish goods exports to priority countries to € 9 billion by 2009.

Merchandise exports to the priority countries have remained relatively unchanged and stood at € 5.87 bn in 2006. The trend is that the level of these exports has remained fairly static. On the other hand the volume of Services exports to Asia have grown at an exponential rate. As a result, service exports to the eight priority countries increased from € 1.2 bn to € 2.6 bn between 2004 and 2005 and in respect of the entire Asia region from € 2.4bn to € 3.4 bn in the same period.

### *5.8.2 Trade Missions*

The January 2005 Trade Mission to China, led by then Taoiseach Bertie Ahern and accompanied by then Minister for Enterprise, Trade and Employment, Mr. Micheál Martin TD; then Minister for Agriculture Ms. Mary Coughlan TD; then

Minister for Education and Science Ms. Mary Hanafin TD and then Minister for Communications, Marine and Natural Resources, Mr. Noel Dempsey TD, was the largest in the history of the state to date. The mission, which visited Beijing, Shanghai and Hong Kong involved a total of 121 Irish companies and educational institutions, primarily involved in the ICT, Educational Services, Environmental and Engineering Services, Medical Devices and Food and Drinks sectors. A wide range of events and activities were organised by Enterprise Ireland. A total of 41 contract signing ceremonies were organised and the value of these contracts totalled € 125m. Exports to China increased by 42% in 2005 from € 639m the previous year.

A successful Trade Mission to India was organised in January 2006, led by the Taoiseach and accompanied by three Government Ministers. Eighty five businesses took part, including some from Northern Ireland. Exports to India increased by 18% between 2005 and 2006. Then Minister for Enterprise Trade and Employment, Mícheál Martin, T.D., led a Trade Mission to Japan in June 2006. Since the Minister's earlier visit to that country in 2004, indigenous exports to Japan had increased by 13%, numbers of Irish companies with offices in Japan had increased from 24 to 32 and numbers employed by Irish companies in Japan had more than doubled.

Later in 2006, the Minister of State for Trade and Commerce, Mr. Michael Ahern TD led a Trade Mission to China.

### *5.8.3 Enterprise Ireland Activities in the Region*

Significant progress has been made by EI towards achieving the target of having 215 Irish companies active in the Asia Strategy region by 2009, with a total of 210 currently, up from 112 in 2004.

During 2006, EI organised a total of 46 events to promote exports to the various Asian markets. The number of EI offices in the region has now risen to 10, with the opening of a new office in New Delhi, India (announced during the Taoiseach-led Trade Mission in 2006).

### *5.8.4 Educational Objectives*

The promotion of Irish Educational Services abroad, i.e. attracting foreign students to study in Irish Educational establishments, is a key contributor to Foreign Earnings and represents the export of a service, just as the export of software or financial systems represents the export of a service. The sale of such educational places abroad is a growing category of our Services Trade.



Enterprise Ireland devotes considerable effort to attracting these students to Ireland and the Asian market shows particular promise. Enterprise Ireland is now working with the major Universities, the Institutes of Technology and the independent colleges, in foreign markets. A number of universities and colleges have established direct linkages with Asian counterparts. Some examples are the Royal College of Surgeons in Ireland (RCSI)/Penang Medical College in Malaysia, University College Cork/Shanghai University, Dublin Institute of Technology/Fudan University and University of Limerick/ University in Hangzhou, China.

A large number of missions and events are organised by EI to promote education. Countries visited include Malaysia, Singapore, Vietnam, Japan, Korea, China, India, Pakistan and Thailand. There are now just over 7,500 students from the Asia Strategy Region enrolled in the third level sector in Ireland - 49% of the total number of non-EU international students. The number of students has grown by over 85% since the academic year 2002/2003. The target for 2009 is 17,000.

Arrangements are in train to establish 'Education Ireland' as a company, with a view to its being set up on a statutory basis within 12 months. This was a key recommendation of the Internationalisation of Irish Educational Services report, published by the Department of Education and Science and that Department is finalising the necessary process. The report highlights the opportunities for this sector and identifies the strategies to be adopted in ensuring that adequate systems and procedures are put in place to make Ireland a competitive and attractive location for quality educational services. This new body will be a central agency to coordinate policy development and advise the Minister for Education and Science on policy for the development of international education and to be responsible for the promotion of Ireland as a centre of educational excellence. Setting up the new organisation will involve the bringing together of two existing bodies, International Education Board Ireland (IEBI) and the Advisory Council for English Language Schools (ACELS). It is therefore intended to put the management and regulation of this sector on a sound footing, with a single agency to coordinate policy, have responsibility for the award of Quality Mark and manage the operation of a code of conduct and the certification of the English as a Foreign Language (EFL) schools. Primary legislation to set up Education Ireland on a statutory basis will be enacted in due course. Science Foundation Ireland has established formal active collaborative arrangements with both China and India.

#### *5.8.5 Food /Drink and Tourism*

In relation to the goal of increasing food and drink sales, these rose 21% in 2005 to € 294m and by a further 10% to about € 325m in 2006. (The 2009 target is € 390m and therefore very likely to be achieved). Bord Bia has committed extra resources to the Asian market, has carried out country-specific research and is opening a full time office in Shanghai.

A Tourism target of 150,000 visitors from all of Asia by 2009 was set. In 2006, we attracted 19,700 visitors from Japan and 81,200 for the rest of Asia and Middle East combined.

#### *5.8.6 Other Initiatives*

Ireland has continued its active role in encouraging trade and other links with Asia, across the range of multilateral fora, including at EU level and in the World Trade Organisation. Working holiday visa arrangements have been negotiated with several of the countries in the region.

The legislation to facilitate Ireland joining the Asia Development Bank was enacted and the necessary administrative arrangements were made (by Department of Finance), for Ireland to formally join. This process should facilitate Irish companies in securing contracts funded by the Bank in the region.

A considerable number of Irish Business and Alumni Associations have been established in the region. Other, less high profile, targets on Academic/Educational links are being progressed. In June 2006 a successful session of the Irish-Chinese Joint Commission was held under the auspices of the Department of Enterprise, Trade and Employment, with its counterpart Ministry in Beijing. This Joint Commission is a bilateral forum that meets every two years, with the objective of developing closer links and of resolving any trade related difficulties between the two countries. Several issues that arose in the discussions are being progressed on an ongoing basis.

In March 2007, the first Ireland-China International Software Conference was hosted in Dublin. The two day event, organised by the Department of Enterprise Trade and Employment, in association with Enterprise Ireland, brought together 80 Irish and 23 Chinese companies. A range of 'one to one' company meetings, to encourage linkages and partnering, was arranged and relevant visits to Software and Educational facilities were organised for the Chinese delegation.

#### *5.8.7 Department of Foreign Affairs Activities*

The Department of Foreign Affairs and its Embassies/Consulates in the Asian region have been active in cooperation with government departments and state

agencies to support and implement the Asia Strategy. An important part of this work has been the organisation of high-level inward and outward visits. Awareness raising activities, supported by that Department's Asia Strategy funds, have included an internship exchange programme and a number of TV and print media visits. Activities in the educational area included a significant sectoral study, support for third level institutional linkages and the development of Irish studies in prestigious universities. A key part of the work of missions in the region is the important interaction and representation with economic ministries, where the development of Irish economic interests with respective countries are discussed and advanced. In accordance with the Government's decision, an Embassy was established in Vietnam, with secondary accreditation to Laos and Cambodia. The embassy in Hanoi has been active in promoting Irish trade and investment in the region and has also a crucial role in administering Ireland's Development Aid programme.

### *5.9 Conclusion*

The core objective of the Asia Strategy 2005-2009 - the development of relationships at political, economic, trade, educational and other policy fields, in support of Irish trade to the priority countries - continues to be implemented in a rigorous and coherent manner. As a result of a strong commitment on the part of all stakeholders, and the resultant extent of engagement with the priority countries and other countries in the Asian region, Irish exports into key markets have continued to increase and all other indicators are very positive. In particular, the growth of service exports to Asia has been excellent and individual targets for Enterprise Ireland activities, on food exports, educational initiatives and some other fields are progressing very well. It is considered that the impact of Trade Missions to the region is very beneficial and it is hoped that further high profile missions will be organised in future years.

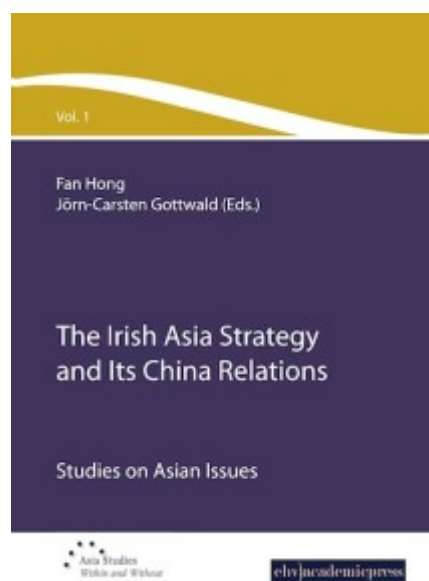
We can look at this entire Asia Strategy process with a reasonable sense of achievement. We have now arrived at a stage, still with two years to go, where Asia is significantly higher in all our consciousness and Irish businesses are much more active in the region. Various linkages and initiatives have progressed very well and considerable political and business gains have been made. We look forward to continued growth and progress towards the ambitious aims of the Strategy.

NOTE

[i] Advantages deriving from membership of the Asia Development Bank can include opportunities for Irish companies and consultants to tender for projects funded by the Asian Development Bank.

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## Chapter 6: Irish-Chinese Political and Economic Relations - An Overview ~ The Irish Asia Strategy and Its China Relations



This chapter provides a summary background to current relations between the Republic of Ireland [Ireland] and the People's Republic of China [PRC]. Subsequent chapters will deal with certain issues in greater depth but it is useful here to provide a quick tour through the development of Sino-Irish bilateral relations. The leading theme behind this overview is to highlight the more important principles behind current bilateral relations and the resources needed to develop these relations in a positive manner to the benefit of both nations. The first section will deal with contacts before the founding of the PRC and Ireland

to offer a flavour of early historical connections between the two lands. Then in chronological order selected developments are described bringing us to present day government policy.

### *6.1 Pre-1949 Relations*

Historically there has been little in the way of 'national' relations between Ireland and China due to terms of geographic distance and the resources and political realities of Ireland before the declaration of the Irish Republic. However there have been some notable individuals from Ireland involved with China. George

Macartney [1737-1806] acted as Ambassador for the first British mission in 1793 to open up trade between the British and Chinese empires. From County Antrim of Scottish descent, Macartney has been widely though perhaps incorrectly blamed for failing to open trade with China by refusing to *kowtow***[i]** to the Qianlong (乾隆) Emperor. Sir G.W. Staunton [1781 - 1859] served as 'page to the Ambassador' accompanying his father a Galway man to China, both serving under the Macartney mission. The younger Staunton, having studied Chinese, is said to have been the only member of the British Embassy able to converse in Chinese and read Chinese characters. Staunton was one of the original founders together with H.T. Colebrook and others of the *Royal Asiatic Society*. Trade did flourish after more successful missions with items such as tea, china, and fabric making it to Ireland.

The extensive Asian cultural treasures at the *Chester Beatty Library* in Dublin were gifted to the Irish people by Chester Beatty [1875 - 1968] an American who was made the first honorary Irishman in 1957. From his childhood, Beatty developed a fascination with artefacts from the orient and Beatty collected many works and items of interest from Asian cultures including Chinese artefacts that are now on display at the library.

Ireland, from her struggle towards independence had some recognition in China amongst its revolutionaries and activists, especially for an Eamon de Valera speech at the League of Nations in 1932 admonishing Japan's incursions on Chinese sovereignty. Mao Zedong is said to have once held celebrations in Ruijin**[ii]** on the 7th November 1931 to mark the founding of the *Chinese Soviet Republic***[iii]** (中华苏维埃共和国) at which "there were drums and firecrackers and skits, one with a 'British imperialist' driving before him prisoners in chains labelled 'India' and 'Ireland'" **[iv]**.

During this period, social upheaval (with the Communists, the warlords, and the Kuomintang, each trying to preserve and gain power) saw danger for missionaries, many of whom were Irish. One such priest was the Very Reverend Fr. Cornelius Tierney of Co. Monaghan, who went to China as part of the Maynooth mission serving in Kien Chang district of Jianxi Province. Reports in the Irish papers of the time relay how when he rang the bells for mass on a morning in November 1930 'Chinese Communist Bandits' who had entered the village, headed to the church and took Fr. Tierney hostage demanding a ransom of 10,000 Mexican dollars**[v]** for his return. The group charging the ransom were held to be

the same group who had killed another Irish priest Rev. Timothy Leonard from Limerick, the previous year. Fr. Tierney was to die on or around March 5th 1931 from illness despite diplomatic attempts by the British Legation in China.

Possibly the first high level contact in official capacity by an Irish politician was Eamon de Valera's meeting with Zou Taofen[**vi**] [1895 - 1944] on December 4th 1933. At the meeting Zou praised the Irish Independence movement whilst de Valera impressed upon him the need for the Chinese to maintain tight organisation and strive for a social revolution.[**vii**] One other early Irish connection with China is the early Chinese nuclear program. This project was led by Peng Huan Wu, (彭桓武), [1915 - 2007] who in 1941 had attended the *Dublin Institute of Advance Studies* founded one year earlier by de Valera.

## 6.2 Post-1949 Relations

### 6.2.1 United Nation's Seat For the People's Republic of China

In 1949, de Valera oversaw the formal establishment of Ireland as a Republic. The same year saw Mao Zedong declare the foundation of the Peoples' Republic of China [PRC] on October 1st. With the League of Nations dismissed after World War Two and its responsibilities handed over to the United Nations [UN] under guidance of Irishman Séan Lester as its final Secretary General, Ireland had to wait to until 1955 to join due to Soviet Union veto. When Ireland finally became a member of the UN the Republic of China [RoC] was already a member as one of the founding nations. Thus Ireland recognised the government of the RoC as sole legitimate representative of the Chinese people at the United Nations to the exclusion of the PRC. The PRC government however sought to gain a seat at the United Nations which led to many tense negotiations amongst members of the UN. The United States led the Western block in trying to keep the PRC excluded.

Three principles established by Liam Cosgrave[**viii**] for Irish foreign policy during this period argued for acting in the preservation of Christian civilisation, observing the charters of the United Nations and maintaining independence and sovereignty in foreign policy decisions. The latter implies that foreign policy decisions are made apart and aside from other influences outside of the other two principles. This resulted in the Irish government taking an independent line from the USA led Western bloc at the UN to take a position in favour of discussion of admitting the PRC to the UN. That Ireland would vote in such a manner as a Catholic, non-communist, non Afro-Asian country led to disbelief of those nations who felt they were guaranteed support from smaller newer member-nations like

Ireland. From Dáil debates going back to the 1960s, it can be seen that the Irish government was concerned about the communist government of the PRC internationally dominating the favoured democratic government of the RoC, but reasoned that in such bodies as the United Nations it was necessary to ensure the participation of those nations

*'of whose policies we strongly disapprove and the philosophy of whose rulers is abhorrent to our people... if the United Nations is to become what we would like it to be, namely, an effective shield for world peace, then clearly it must comprise countries of that character'. [ix]*

The governments' decision to eventually recognise the Communist government in Beijing was further reasoned along the following lines: both Chinese governments claimed to be the one true government and claimed equal territories, to ignore the larger mainland government meant disallowing *de facto* representation of approximately 500 million individuals at the U.N. in favour of 12 million individuals represented by the RoC. [x] In addition, the emergence of the PRC as a nuclear power during the 1960s was cause to argue for the communist government's inclusion for both the benefits and the necessity of having a nuclear power as a member of the world body mandated to build peace.

The People's Republic of China was eventually admitted to the U.N., on October 25th 1971, when the rising number of independent African states was such that it became much harder for the U.S. to maintain the Western-dominated majority to continue refusing admission. The U.S. therefore decided to change their position to one of in favour and subsequently the RoC was no longer attendant at the UN in representation of China. Ireland's independent foreign policy stance at the UN resulted in the Irish vote being actively sought after as opposed to a passively accepted one. It also led to Ireland being grouped with so-called 'fire-brigade' nations that served to rally consensus in difficult negotiations at the UN. [xi]

### *6.2.2 Diplomatic Relations With The PRC*

Ireland voted in favour of PRC membership of the U.N. supplanting the People's Republic of China in 1971 but still did not open diplomatic bilateral relations with the PRC. It was not until after Ireland's membership of the European Economic Community [EEC] was formalised in 1973, that Dublin established diplomatic relations with the Beijing government in 1979. The EEC had established diplomatic relations with Beijing four years earlier. Ireland and China then exchanged ambassadors in 1980. The *One China policy* [xii] Ireland has adopted

prevents official political relations with Taiwan; however this is not to say that Ireland does not have good relations with the Taiwanese under economic, educational, and cultural headings.

The issue of Taiwan surfaces occasionally between Oireachtas members despite the government continually reaffirming its adherence to the One-China principle. On the 8th of February 2008, asked if he would make a statement on his departments' non-recognition of Taiwan the Minister for Foreign Affairs Dermot Ahern replied that in common with the majority of UN members Ireland recognises the People's Republic of China as the sole legitimate government of China and that Taiwan's official status is as a Province of China, but equally stresses the importance of harmonious cross-China straits relationships between Taiwan and China. The Minister concluded his statement by saying;

*'The economic relationship and interdependence between the China and Taiwan is expected to expand and deepen in the coming years... It is to be hoped that these economic relationships will help ease political tensions across the China Straits in the longer-term.'* [xiii]

This is an example of Ireland aligning with EU policy in the formation of its own foreign policy, hoping that increased trade and interdependence will facilitate the peaceable solution of the tensions between China and Taiwan.

### 6.3 Contemporary Relations

The meteoric rise of China as an economic power has been nothing short of remarkable considering the historical backdrop and political culture of the Chinese authorities. As China's economy gains momentum we have witnessed a tremendous growth in the presence and importance of China not just in global affairs but in European and Irish affairs. Ireland as a trade-dependent nation expresses economic concerns where possible, and when necessary, in its foreign policy. Globalisation and bilateral trade did not inevitably lead to the evident cordial political relations. As noted in *A Strategy for Long-Term Development of Foreign Earnings in Asia*, certainly one of the motivating factors for the many visits of Irish politicians to China concerns the business culture in Asia;

*"In Asia, where hospitality and prestige indicate power, political visits and diplomatic activity have perhaps even more significance from a foreign earnings perspective than elsewhere. This factor needs to be built into the strategy in a systematic way at headquarters level as well as in the field. For example, visits to these markets and reciprocal programmes of well planned hospitality around core*



*foreign earnings interests will have a key role. Ministerial time for these purposes should be given priority, notwithstanding the fact that the results of the investment of Cabinet time may not be obvious in the medium term.” [xiv]*

The impacts of Ireland’s relationship with China have been varied. On the one hand there is increased awareness of China as an economic power- wherein lies great possibilities for the adventurous entrepreneur- evident in the large trade missions that accompanied high level political visits to China in recent years. It is important that the Irish government develops the manpower, structures and the resources necessary for sustained engagement in developing the Chinese and all Asian markets as the Asia strategy sets out to do. One central aspect to developing new resources upon which to draw is education.

Below are brief sections introducing the most important areas of the Irish governments’ relations with China. These sections are discussed in more depth in later chapters.

### *6.3.1 Economy*

The efforts on the part of Irish politicians and bureaucrats endeavouring to ensure that potential benefits are maximised has seen bilateral visits, trade missions, increased diplomatic presence in China and the establishment of the Asia Strategy identifying China as a priority market. Former Taoiseach Bertie Ahern noted after his visit to China in 2005 that:

*“France, Britain and Germany are fighting for ...Chinese foreign investment in a hugely competitive market ... whereas [in comparison to Irish efforts] President Chirac and Gerhard Schröder, in particular, seem to visit with huge delegations almost annually. Other countries are ahead in terms of attracting investment in a significant manner through building up extensive relationships. However, there are also opportunities for Ireland.” [xv]*

The Asia Strategy was formulated against this competitive environment in order to increase expertise on Asian markets and to foster greater economic and political relations with identified Asian countries. This strategy is overseen by a High Level Group whose members represent the chief private and public sector bodies concerned with Enterprise, Trade and Foreign Relations. The core objective of the Asia Strategy is stated as follows:

*‘...to develop relationships between Government, business organisations and Irish and Asian peoples generally. This is in support of the central focus on increasing*

*trade with that continent, creating wealth in Irish companies, particularly in smaller companies and contributing to national prosperity, employment creation and maintenance.'* **[xvi]**

Within this policy, China is identified as a priority market. The Irish-China policy therefore endeavours to build on existing trade and business within the Chinese market.

### *6.3.2 Human Rights*

Ireland has a strong impetus on human rights in its foreign policy with issues of human rights abuses in China regularly a parliamentary topic in the Oireachtas. Ireland habitually draws attention to human rights concerns at high-level meetings with Chinese officials at national and supra-national levels. Some recent examples included the meeting of the Irish Minister for Foreign Affairs Dermot Ahern with Chinese Foreign Minister Li Zhaoxing on 12 May 2006, in Beijing; Tánaiste Mary Harney on 25th September 2006 with Chinese Vice-Premier Zeng Peiyan in Dublin; Avril Doyle MEP, member of the Delegation for Relations with the People's Republic of China at the 24th EP/NPC Inter-parliamentary- Meeting from 23 June 2007 to Friday 30 June 2007 in Beijing and Tibet. A case in point is the successful involvement of the Irish government in the return of Mr. Zhao Ming and Mr. Liu Feng to Ireland after their detention in labour camps in China due their participation with the Falun Gong movement through the EU-China Humans Rights dialogue. Former Taoiseach Bertie Ahern noted:

*'...while the Chinese authorities do not like talking about human rights in the public domain or at press conferences, ..., privately they have no difficulty in doing so and accept the point that they must make huge progress. They accept that they are doing so under the EU-China human rights dialogue, of which there have been 17 rounds. They are engaging with the issues. I met the Chairman of the People's Congress ..., he made it clear that they are anxious to engage at parliamentary level on these issues. They are making strides forward. Nonetheless, the Chinese authorities make the point that theirs is a country of 1.3 billion people, who are part of a very different culture and tradition that includes many aspects which are totally unacceptable to people in Europe. However, the best way forward is to engage with them.'* **[xvii]**

There certainly is an issue of *realpolitik* in the extent to which small nations like Ireland might be able to exact change within Chinese borders. Chinese authorities are reluctant to welcome interference in internal domestic affairs and conversely

are more uninhibited in their dealings with nations that have questionable attributes, for example, offering aid to Zimbabwe without ties to political transparency or human rights. But there is an argument that Irish-Chinese dialogue will offer better opportunities to lead and persuade in areas such as transparency, governance and human rights within the abilities of Ireland's influence, rather than intentionally distancing herself from China altogether. Such a policy of non-contact would also put Ireland at odds with the E.U. at large when efforts are being made for a more cohesive E.U. foreign policy towards China. Irish concerns can arguably be more effectively brought to the table under the banner of the European Union.

### *6.3.3 European Union*

The European Union inevitably plays an important role in the development of Irish relations with China; to what extent the Irish government independently follows its own course in relation to China depends on the issues at stake. There is increasing evidence that member nations of the EU are, when desirable, leaving prickly issues such as human rights out of their national foreign policies in their dealings with China and deferring to EU institutions to tackle such issues on their behalf. This is not necessarily a case of not wanting to damage trade relations by offensive accusations but rather the EU is a better forum for dealing with such sensitive issues. As alluded to earlier, increased pressure can be brought to bear on China in terms of EU-China bilateral relations.

China has in fact been part architect of this emerging strategy: on previous occasions, China has warned individual EU states of 'consequences' if certain actions were to be followed through i.e. sales of arms to Taiwan, censorship at the UN over human rights. In the case of human rights one can look at the failure of the UN General Assembly motion to condemn China's human rights record in 1997 tabled by Denmark and supported by Ireland. Without the backing of other European countries both Ireland and Denmark risked retaliation from a resentful China. The failure of the motion was a coup for Chinese authorities and their influence in Europe at national and international levels. The EU stands to gain more ground as a cohesive unit rather than as a medley of nation states that can be in turn be coerced into competing or disagreeing with each other. At a symposium held in UCC regarding Ireland and the European Union in 2007, former President of the European Parliament Mr. Pat Cox mused that for nations of a continent that had developed and used the strategy of divide and conquer to

great effect- to succumb to such a strategy in the challenges of today's world would be to our detriment. It is not so much a question of the independence of Irish foreign policy in relation to the European Union, rather a question of how best to utilise the existing interdependence of Irish foreign affairs with our European partners in engaging with China. It may make political, economic and even moral sense to leave certain matters for the EU to deal with collectively on the one hand, whilst concentrating individually on furthering bilateral relations on the other.

#### *6.3.4 Education Sector*

The development of Irish educational services in the international market is the best strategy through which to strengthen medium to long-term bilateral relations in both the political and economic arenas with China as well as other Asian countries. (This was acknowledged by Taoiseach Bertie Ahern in his speech at Tsinghua University in Beijing in January 2005). It serves to develop links and networks at a social and cultural level whilst strengthening ties in commercial, technological and research fields. Chinese students in Ireland have linguistic ability, an understanding of the Chinese market, in depth knowledge of Chinese social and cultural structures and they can facilitate a network of contacts (important in China where this is known as "*Guanxi*"). The provision of Irish cultural and linguistic specialists through the Irish education system will be beneficial to ensure that relations develop to their full potential. On 23 February 2006, *The Agreement on Mutual Recognition of Higher Education Qualifications between the Government of Ireland and the Government of The People's Republic of China*, was signed by the respective Ministers for Education. This agreement came into effect from May 2006 and will greatly enhance the mobility of academics and scientists leading to greater potential in innovation and research. It will also create employment opportunities in China for those whom are Irish-educated whether they are Chinese, Irish or other nationalities and of course help Chinese educated students enter employment here in Ireland. This agreement is a natural development on the course for internationalising the education services of Ireland. It is important that when Chinese students come to Ireland to gain third-level qualifications, these qualifications are then recognised when they return to China.

These positive steps have been taken for two reasons - on the one hand their goals are to further enhance bilateral relations between Ireland and China. On

the other it is part of the Irish strategy to be, by 2013, a nation *'internationally renowned for the excellence of its research, and ... [be at] the forefront in generating and using new knowledge for economic and social progress, within an innovation driven culture'*.**[xviii]**

As for this latter aim, the agreement mirrors other similar arrangements between Ireland and the US/Ireland and India, and Ireland and other E.U. countries. As the government paper cited above examples: the average spend by an E.U. 25 country on research and development is some bit above € 7 billion which is comparable with many multinational companies, thus if individual nations wish to develop at a sufficient rate, trans-national cooperation is a sensible and necessary method of doing so in order to gain needed funds, expertise, training and technologies. China is a worthwhile partner for this endeavour, in striving to attain higher standards in research and development in the areas of science and technology, China has economy of scale on its side and shares areas of interest with Ireland. Ireland has expertise and training to offer in vital areas such as information, communications technology and biotechnology. The predicted shortfall in labour for the science and technology fields in Ireland could be an enticement for Chinese students whom are Irish-educated graduates to stay in Ireland to work and develop their expertise. Strengthening educational links especially with regards to marketing subjects with expected skills shortages such as information and communications technology can help Ireland hold the pace needed at international competitive levels. Science and Technology are already two of the biggest areas in which study is undertaken by Chinese students.

Under the auspices of the Asia Strategy, the Irish Institute of Chinese Studies [IICS] was set up at University College Dublin and University College Cork [UCC], providing language, business and culture training to Irish students at both under and post graduate level. The IICS is rapidly growing from strength to strength sending UCC students for prolonged periods of study at partner universities in China. The IICS also successfully initiating an annual international conference on China with the inaugural conference taking place in March 2007 in Cork at UCC.

#### *6.4 Remarks*

The summary nature of this chapter has prevented detailed discussion of some major topics, however these topics such as economics and human rights are dealt with in later chapters granting them the attention and space they deserve. The purpose here is to provide the reader an introductory overview on some of the

aspects of Ireland's bilateral relations with China. The key points to take from the discussion presented thus far are the central importance of continued attention and visits by Irish officials to China due to the political and business culture of the Chinese. Further, the dual responsibility of the education sector in attracting Chinese students to Ireland and providing training for Irish students to adequately serve the needs of developing relations at national and European levels with China. And thirdly to recognise the benefits of EU membership on the international stage that provide smaller nations like Ireland a stronger voice. As a trade dependent nation it is important that Ireland secures future markets while concurrently maintaining our tradition of supporting human rights and freedom of expression at national level in our foreign policy.

## NOTES

**[i]** Kowtow was a traditional act of respect shown to the Chinese emperor by kneeling and bowing so as to touch the ground with one's head.

**[ii]** Jianxi province in south-eastern China.

**[iii]** Alternatively known as the Jiangxi Soviet 1931 - 1934

**[iv]** Chang, J., and J. Halliday. 2005. *Mao: The Unknown Story*. London: Vintage. Pg.125.

**v.** Some sources indicate 40,000 Mexican dollars.

**[vi]** Editor and publisher based in Shanghai, then Nanking also known as Zou Taofen, born Zou Enrun May 4th.

**[vii]** Ch'en, J., *China and the West* London: Hutchinson & Co. 1979 Pg. 88.

**[viii]** Cosgrave served as Minister for External Affairs from 1954 to 1957, overseeing Irish admission to the UN.

**[ix]** Dáil Éireann, 'Government of China', Questions, Oral Answers: Remarks by then Taoiseach answering on behalf of Minister for External Affairs, Volume 187, pp. 862-863, 21 March, 1961.

**[x]** Dáil Éireann, 'UNO: Membership of Communist China', Questions, Oral Answers, Volume 213, 15 December, 1964.

**[xi]** Cruise O'Brien, C. 1962. *To Katanga and Back: A UN Case History*. London: Hutchinson & Co. Ltd. Pg.26ff.

**[xii]** The One-China principle refers to official recognition of only one Chinese government as sole legitimate representatives of China.

**[xiii]** Parliamentary Question 71, Ref No: 3911/07, 8 February 2007. available at <http://193.178.1.238/Debate.aspx?F=DAL20070208.xml&Node=H7#H7> Last viewed 24 August 2007.

**[xiv]** 'A Strategy for Long-Term Development of Foreign Earnings in Asia', Department of Enterprise, Trade and Employment; Government Publications, Pg. 24: Oct. 1999.

**[xv]** Parliamentary Debates, Leaders Questions, Pg 1357 2 Feb 2007 Available at <http://debates.oireachtas.ie/Xml/29/DAL20050202.PDF> Last Viewed 6 June 2000.

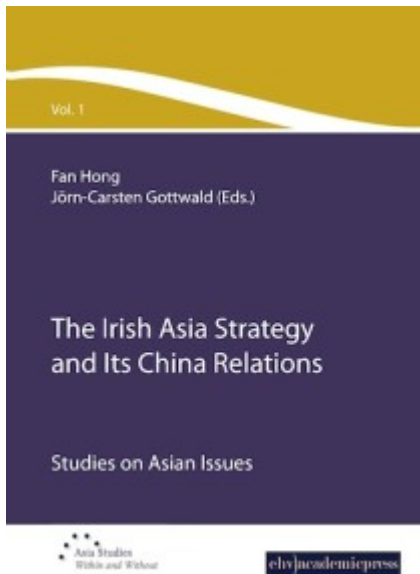
**[xvi]** A Decade of the Asia Strategy 1999-2009; Government Publication Pg. 19 available at <http://www.entemp.ie/publications/trade/2005/asiastrategy.pdf> Last viewed 01/06/07.

**[xvii]** Parliamentary Debates, Leaders Questions, Pg 1354; 2 Feb 2007 Available at <http://debates.oireachtas.ie/Xml/29/DAL20050202.PDF> Last Viewed 6 June 2007.

**[xviii]** Strategy for Science, Technology and Innovation 2006-2013; Department of Enterprise, Trade and Employment Government Publications available at <http://www.entemp.ie/science/technology/sciencestrategy.htm>; Last viewed 14 June 2007.

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## **Chapter 7: Sino-Irish Relations - The View From China ~ The Irish Asia Strategy And Its China Relations**



*“Formerly we thought than the foundation of our wealth would be established if only western methods were stressed, and that the result would be achieved immediately...unfortunately, we are merely copying the superficialities of the western methods, getting only the name but very little substance...superficial imitation is not so good as arousing intellectual curiosity. The forges and hammers of factories cannot be compared with the apparatus of people’s minds.”*

Wang T'ao 1870[i]

For much of the past thirty years both China and Ireland have been involved in radical reform programmes that have placed their respective governments to the fore. In taking the strategic decision to open their economies to the outside world, learning, experimenting with and harnessing new ideas and technologies to the service of their societies each can be said to have achieved an astounding level of success. Neither has allowed themselves the comfort of introversion, working with particular effectiveness since the end of the Cold War to move from the periphery to the centre of the international system. In doing so both countries have found greater opportunities to express and develop their own voice, discovering significant common ground along the way. Both are united in their commitment to a more balanced and effective international system, the maintenance of a peaceful international environment in which countries committed to economic development can seek, find and take advantage of opportunities.

While these distant neighbours find themselves on the opposite extremities of the Eurasian continent it is the similarities between them that draw them together. Both call upon a considerable heritage of cultural and technological innovation in the crafting of their self image. If their political philosophies and social systems have developed along very different tracks then this should not diminish a profound respect for each others successes – few other countries can claim to have so successfully turned the forces of globalisation to the service of their societies.

What follows in this chapter is an insight into the way that China views Ireland. The chapter unfolds first by summarising the general perception of Ireland that



exists in China today. Subsequent sections explore the different strands that have contributed to this perception setting these against larger trends in China's transformation. The final section suggests that for Sino-Irish trends to continue their positive arc much will have to be done to orchestrate an increasingly disparate and potentially fractious set of relations.

### *7.1 Ireland: A View from Afar*

Perhaps unsurprisingly Ireland has not captured the imagination of the average Chinese citizen, most of whom have enjoyed only sporadic and limited encounters with things Irish. There is for example little awareness of the distinctive role Irish individuals have played in the shaping of Chinese relations with the rest of the world, whether through the intercession of Lord McCartney, first envoy of Britain to China or the intervention of Sir Robert Hart in establishing the Imperial maritime custom service which helped prolong the twilight of Qing dynasty. Ireland, where it exists at all dwells in the collective imagination as a jumble of images and public figures spanning the breathtaking beauty of the Cliffs of Moher to Roy Keane, Riverdance and a host of Nobel Prize winners.

Among China's elite the conception of Ireland is more complex if still partial. The young tiger's colonial past, its consequent struggle for recognition, and determination to lift itself out of poverty strike a chord with Chinese experience. Beyond these impressions Ireland's desire to pursue a neutral path in world affairs based on the international rule of law, one respectful of the one-China principle resonates strongly with a Chinese worldview that places multi-polarity and cooperative, consultative approaches to problem solving to the fore. If there are nuances and occasional contradictions to this policy they neither detract nor deviate from Beijing's fundamental commitment to the creation and maintenance of a stable international environment, built upon the five principles of peaceful coexistence: mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and finally peaceful coexistence sensitive to the needs of developing countries.

Such perceptions are both relatively new and tentative, being formed in the flurry of activity that began towards the end of the 1990s. It is during this period, the height of the Celtic tiger phenomenon that frequent Chinese trips, often with sponsorship from Irish state agencies such as Enterprise Ireland began to generate awareness bringing clarity and substance to what would have otherwise been a relationship of mutual indifference.

## *7.2 The Political Relationship*

Reading too much into these perceptions might lend an unrealistically positive spin on the importance of Sino-Irish relations one that belies the reality that Ireland finds itself as just one of many, many suitors driven to China by competitive pressures, a quest for position before market share has been fully divvied out. Comparatively speaking, attention, at least from the top most levels of government has been sporadic at best with the tempo and status of contact dictated largely by Ireland's relative position within the international system, both in terms of the EU (particularly the presidency) and UN. As such wherever Ireland's profile within these institutions is raised the negotiating power of the Irish government becomes invested with more significant weight. With the exception of EU related issues that require anonymity, such as the lifting of the arms embargo or market economy status (both staples of discussions) the lack of political tensions between the countries has meant that Ireland is seen in both bilateral and multilateral terms, the latter reflected in its position within the western European desk of the foreign ministry.

If politically speaking Ireland's relative importance to China is not great this should not be taken to mean that Ireland is unimportant to China. Since diplomatic relations were formally established in 1979 Sino-Irish engagement has progressively expanded to cover a broad range of issues and interests outside of the political arena. The political capital which create room and bless these strands come from a number of avenues such that whether on the edges of the UN, as part of the European Union, or bilaterally there is considerable choice in terms of the channels of interaction with Ireland. Specific to the latter avenue the China-Ireland joint commission on economic, institutional, scientific and technological cooperation provides a specific steering mechanism, often acting as a clearing house for issues to compliment normal embassy and ministerial lines of communication. Momentum has been ensured through the steady flow of diplomatic traffic between Beijing and Dublin, with visits from the Chinese side such as those Minister of Health Cui Yueli in May 1983, Minister of Culture Zhu Muzhi in May 1985, Minister of Agriculture He Kang in July 1985, Minister of Foreign Trade and Economic Cooperation Zheng Tuobin in May 1986, State Councillor and Minister of Foreign Affairs Wu Xueqian in May 1986, Vice Minister of Foreign Affairs Zhou Nan in September 1988, Minister of Civil Affairs Doji Cering in October 1994, Minister of Foreign Trade and Economic Cooperation Wu

Yi in April 1995, Vice Premier and Minister of Foreign Affairs Qian Qichen in October 1995, Vice Chairman of the National People's Congress Standing Committee Tian Jiyun in March 1996 and Vice Premier Li Lanqing in April 2000, Vice Chairman of the Chinese People's Political Consultative Conference Song Jian in May 2001, Premier Zhu Rongji in September 2001, Vice Chairwoman of the Foreign Affairs Committee of the Standing Committee of NPC Li Shuzheng in September 2001, Vice Chairwoman of the Standing Committee of NPC and Chairwoman of All-China Federation of Women Peng Peiyun in October 2001, Vice Chairman of the Chinese People's Political Consultative Conference Ye Xuanping in October 2002 and Premier Wen Jiabao in 2004. Beyond these more high profile visits a range of contacts have developed to reflect a growing interest in the success of the Celtic tiger.

The results of these contacts have been a number of notable agreements, of particular relevance to the trends explored within this chapter are the agreements on *Cultural Cooperation* signed in May 1985 which marked the first concrete cooperation between the two, an *Agreement on Scientific and Technological Cooperation* (September 2000); an *Ireland-China Research Collaboration Fund Agreement* (December 2002); a *Memorandum of Understanding on Cooperation in Software Sector between the Ministry of Commerce of China and the Department of Enterprise, Trade and Employment of Ireland* (January 2005); and an *Agreement on Cooperation between China National Committee of Natural Sciences Foundation and Science Foundation of Ireland* (January 2005). Many of these have followed on from an initial *Agreement on Economic, Industrial, Scientific and Technological cooperation* (May 1986).

### 7.3 The Key Players on the Chinese Side

Before proceeding to explore the *what* of Sino-Irish engagement it is important at this juncture to understand the *how* of China's foreign policy. At the theoretical apex of this policy making machinery stands the State Council which has traditionally been charged with dealing with the day to day direction of policy as well as the establishment of international agreements. Save where more elaborate policy departures necessitate the blessing of the party it is this institution and the different and shifting alliances within it that are primarily responsible for China's foreign relations. Beyond the Council the Ministry of Foreign Affairs has continued in its traditional role conducting day-to-day relations with China's partners. Innovation comes through experience and the

growing influence of China's economic and foreign policy think tanks, such as the China Centre for International Strategic Studies, Centre for Contemporary International Relations, China Academy of Social Sciences and State Council Development Research Institute, the China Institute of International Studies (CIIS) and Shanghai Institute for International Studies which together with the various in-house research units of China's ministries (particularly MOFCOM and the ministry of Finance) provide much needed advice and projections. While these think tanks respond to requests from the State Council for research, analysis and proposals they have to a limited extent helped define the policy agenda, acting as occasional policy entrepreneurs that are now furiously courted by academic and governmental authorities from around the world.

The hierarchy of this institutional framework has become blurred further with the advent of international integration, Engagement has exerted a profound influence on China's pattern of governance such that functional, line ministries normally not associated with external relations (for example the ministries of Finance or Agriculture) have seen their portfolios assume more international dimensions. This latter trend has necessitated the establishment of internationally active bureaus and departments, each tasked with the management of such disparate tasks as technical exchange and policy coordination to service the more bland and complex demands of reform.

In terms of Sino-Irish relations these trends have placed the Ministries of Commerce (and its predecessor the Ministry of Foreign Economic Relations and Trade), Finance, Industry and the China Council for the Promotion of International Trade among the ranks of key state players, with MOFCOM playing the principle gatekeeping role in terms of cooperation and exchange. A focus on national level institutions provides only a partial account, further complicating matters has been the empowerment of local and regional authorities who in exploiting the avenues created by past Chinese leaders focused on promoting growth have established their own international presence. Inevitably the involvement of, so many actors has had a dramatic impact on the development and proliferation of horizontal linkages, whether commercial, political, academic or cultural in nature. While most of these links are unlikely to have an immediate or dramatic effect on overall policy they have given relations a more practical, flexible vehicle to ensure there are always some win-win scenarios at play.

#### *7.4 The Knowledge Pillar*

Taking a narrow political focus would reduce Sino-Irish relations to a minor footnote but by adopting a broader perspective, one that takes into account the shift to a more pragmatic, bureaucratic brand of foreign policy that allows for the various interests of China's line ministries to come to the fore, a very different story is revealed. At its most essential the relationship is focused on the development of knowledge capital such that Ireland's development model, regarded as successful, and innovative is of great interest. To understand the *why* of this it is important to explore the context of China's reform process - its governance restructuring.

As is widely acknowledged the difficulties brought about by the *Great Leap Forward* and *Cultural Revolution*, coupled with decades of autarkic policies reduced China's economy to the point of bankruptcy. Lacking either the resources or know how to modernise on its own China took the prudent step of turning outwards and opening up to the world once more. Rather than seeking to reinvent the wheel the Chinese government has looked abroad for examples to follow, thus, beginning in 1978, Chinese elites began to actively solicit technical assistance and aid, raising the tempo of their courtship of foreign actors in search of capital, managerial expertise and technologies. In so doing China signalled a renewed willingness to engage with Western ideas, a willingness that reshaped its relationship with the outside world from one of exclusion and opposition, to integration and participation. The ensuing series of reform programmes, did not mean wholesale westernisation but rather involved an elaborate series of "(semi) contained" experiments, whose purpose has been to divine an appropriate blend of Chinese and Western ideas and institutions with which to lead China back to prosperity. In seeking to make China's economy more market orientated the Chinese government also accepted that development strategies would have to be adopted to encourage private investment both domestic and foreign. Achieving such an objective, while dealing with the contradictions and consequences of previous development they realised would be impossible without overhauling and, perhaps, completely rebuilding the country's legal and institutional framework to create a climate of stability and predictability more suitable to investors. Broader governance and regulatory reforms intended to progress incrementally, by "crossing the river by feeling the stones" as Deng Xiaoping colourfully described the process has meant adopting a pragmatic approach. Inevitably the role of the Chinese state has adjusted in tandem, managing development, being able to survey, review, adapt and compensate for its consequences have become the key

objectives for China's ministries increasing demand for new ideas.

Commerce in both ideas and capital has therefore become the driving force behind Chinese foreign policy, the later as a means of providing a substitute mechanism for China's previously nonexistent financial system in allocating investment funds, and the former, at first to retool, and subsequently radically overhaul crucial areas of China's economic governance system. This strategy has paid further dividends in helping to create sympathetic constituencies within China's partners who are willing to use their influence with their own governments in order to ensure stable relations with China, thereby reducing international and economic frictions, smoothing out tensions and maintaining a supply of funds, ideas and people.

Uniting the disparate strands of this strategy are the principles which have come to underpin China's development:

- *Scientific*, in terms of achieving sustainable development, based on advanced scientific and technological content, good economic return, low resource consumption, reduced environmental pollution and better use of human resources.
- *Innovative*, in promoting development through further reform and technological development and striving to build an innovation-oriented society with its appropriate accompanying institutional framework.
- *Harmonious*, in of the sense that promoting social progress and adjusting for the problems of development through the development of rule of law, and the principles of equity, justice, sincerity, amity, vitality, stability and order, and harmony between man and nature becomes vital.
- *Common*, in the sense of stressing the joint development of internal public ownership as the mainstay with other forms of economic ownership sectors as supplement.

### *7.5 Peaceful Development*

Each of these principles translates into a more practical orientation to China's engagement with the rest of the world. For example both harmonious and innovative principles commit the Chinese government to seeking technical and intellectual exchanges that focus on governance, in particular management components. While the emphasis on common development, an evolved acknowledgement of China's socialist roots has led to the evolution of a twin track economy, one intensely market orientated the other corporatist in nature,

wherein the relationship between state and private remains blurred and commerce is put to the service of nation building. It is the convergence of these trends that brings countries such as Ireland back within the horizon of Chinese policy makers.

#### *7.6 What then Are the Dividends to Be Reaped from This Shift?*

Underpinning the political dimension of Sino-Irish relations are a range of commercial contacts both trade and investment in nature that have helped to build a more robust foundation for partnership. In terms of the former, the volume of trade has expanded from a miniscule US\$ 5.15 million in 1979 to a staggering US\$ 6.4 billion in 2007. To put these figures into perspective this has meant that as of 2005, China had replaced Japan as the biggest trading partner of Ireland in Asia. This trend is not uni-dimensional with Ireland now ranked 12th among the EU27 in terms of trade. The investment landscape has similarly begun to show signs of development, and as of 2007, China had introduced 30 Irish investment projects with a total contractual value of US\$ 228 million, and corresponding actual input of US\$61 million. As of the end of 2007, the total number of Ireland invested projects had reached 145 with a total contractual value of US\$ 490 million, with actual committed input totalling US\$ 144 million.

This courtship is set to be reciprocated with both Chinese and Irish officials keen to encourage Chinese investment to flow the other way. In this regard China's new policy of "going global" means that Chinese industry, as well as its sovereign wealth funds (under the umbrella of the Export/Import and Development banks) have begun to spread out in search of the opportunities and resources needed to sustain growth. Although still at an early stage there is a consciousness of the merits of using Ireland as a gateway for investment into Europe given its favourable corporate tax rate pivotal position between the US and European economies and relatively open investment infrastructure.

#### *7.7 What then Does China Want from Ireland?*

While commercial interests draw the two peoples into contact it is ideas that they share, and sometimes disagree on which bind them together. The wider range of people to people contact has dramatically changed the character of the relationship generating momentum independent of political elites. Several trends have converged in contributing to this situation most notably:

- Ireland's establishment as a choice destination for Chinese students keen to learn English and expand their knowledge of the world.

- The determined efforts of the Irish Embassy, who have been instrumental in promoting Ireland's cause among a limited, but influential clique of policy and decision makers as well as exposing more local and regional points of contact to Irish technical expertise.

And finally and perhaps most importantly,

- Interest in Ireland's successful economic transformation.

This has meant that the pattern of engagement between Ireland and China although sporadic has not been without focus. In the terms of education Ireland benefits from having an English speaking environment. The university model in particular is perceived as providing a key link between education and development. Numbers reveal the origins of this perception, for example in 2004, about 30,000 Chinese students studied in Ireland, ranking Ireland No. 1 on receiving Chinese students in terms of proportion of the population. Current estimates place the number of Chinese citizens living in Ireland at between 60,000 and 120,000 making it the second largest expatriate community in Ireland. Reinforcing this trend has been the efforts of Irish universities keen to benefit from China's willingness to improve educational links, with a number of them, notably UCC, Trinity, UCD, and Maynooth helping to blaze a trail in establishing exchange mechanisms with their Chinese counterparts. This has helped to develop academic traffic with key universities such as Peking, Qinghua and Fudan.

China has also been keen to address the perception gap that exists among western countries in developing a global network of Confucian Institutes tasked with improving awareness and understanding of Chinese culture and language. These institutes are intended to act as the channels of soft power reflecting not only China's new found interest in public and cultural diplomacy but its realisation that the best way to tackle advocates of the China threat thesis is to provide a broader education on modern China. Ireland has been among the early beneficiaries of this move with two Confucius Institutes having been established in UCD and UCC. Counterpart initiatives such as the establishment of the Irish studies centre at Beijing Foreign Languages University have also helped raise awareness on a more practical level among Chinese citizens.

Despite obvious obsessions with the material success of the largest states, interest in the role played by the Irish government in helping to create a suitably growth supportive economic environment is particularly strong. Both state and



semi-state agencies have been keen to explore parallels between Ireland and China's opening-up policies with Chinese academia (sometimes leading but more usually finding themselves in tow to this trend) assessing the "how" of Ireland's investment in education, initiatives such as the Shannon Development Authority in attracting foreign investment, the process by which Ireland shifted its industrial structure, how it has attempted to balance development across regions and sectors. **[ii]** Ireland has been particularly successful in attracting the attention of Chinese reformers in its capacity as a software giant such that it has come to be considered the "silicon valley of Europe", a title that has quickly been reflected in the focus of more concentrated exchange.

Therefore while Ireland's relative importance varies it has become clear that there exists areas where its competitive advantage as a model of development can come to the fore, particularly in areas such as science, education and technology. In this regard while there is considerable competition for influence with similar programmes from other nations, more materially endowed and disposed to using political capital as leverage Ireland has carved itself a niche. This has impacted the agenda of relations with Chinese elites developing a long shopping list of objectives for the relationship whether involving the deepening of cooperation in the software sector, ICT, bio-pharmaceuticals, environmental protection, two-way investment, or agriculture and cultural exchanges. Such a wide range of interests now means that beneath the waterline of China's top officialdom there is, and will continue to be significant activity.

### *7.8 Conclusion*

In terms of foreign policy China might appear to be relatively passive, it has wherever possible sought to avoid becoming bogged down in the drama of great power politics preferring instead to "suspend making important strategic decisions" in favour of a more colour blind approach to international politics. **[iii]** This has meant that the transformation of its economy has taken precedence over all other issues with the result that any and all assistance, advice or examples of best practice have been considered. This has given shape to a policy of building up comprehensive national strength (*zonghe guoli*), composed of international competitiveness, an efficient and flexible diplomacy, and a compatible military capability. Success in the pursuit of these goals has created its own problems with the traditional Chinese approach of *taoguangyanghui*, (low-profile), becoming a less attractive policy option particularly in light of China's increasingly obvious status as a rising power. **[iv]** This makes having an active foreign policy "a

necessity, not a luxury.”**[v]** What this portends for the future is greater engagement of big powers and a more concerted courtship of those constituencies within those states that help create the positions and policies that affect China. This trend tasks Chinese diplomats with becoming more active in ensuring Beijing’s new found assertiveness is not mistaken for belligerence, a feat that requires more orchestration of ALL of China’s external agents. This attitude also ensures that countries like Ireland, embedded within the EU have the opportunity to assume greater importance than might have otherwise have been expected. Whether this involves Chinese elites making representations on behalf of Chinese companies against EU anti-dumping cases or securing votes at the UN, attention will continue to be given.

Aside from the potential turbulence caused by China’s rise up the ranks of international society it is what happens in China that will largely determine the course of its foreign relations. Now that China’s elites have embarked on no less significant a task than the restructuring of governance and market structures in favour of the creation of a harmonious society demand for technical advice, policy learning and assistance takes on a new level of urgency. The rest of the world is of course aware of this with competition for access to China’s elites increasing accordingly. Individual European states as well as their American, Canadian, Japanese and Australian counterparts are being encouraged to assume a more individualistic approach in establishing dialogues and programmes of cooperation to ensure their message (and the interests of their constituents) reach the right elite. In such a climate the danger exists that despite its obvious merits Ireland will find itself crowded out of the queue. The question might well become whether there will be anything distinctive about China’s policy towards Ireland or whether it will simply follows the script of relations with the EU or other similarly sized countries. Assuming a negative answer makes it incumbent upon Ireland’s representatives to more forcefully distinguish Ireland’s comparative advantage extolling the benefits to be gained from learning of its development experience, drawing greater attention to the synergy that exists between their knowledge based economies and providing a more institutionalised platform to sustain bilateral relations. Assuming a positive answer demands a pat on the back but continued vigilance against complacency.

What is certain is that beyond these issues the future trajectory of relations will depend much on the attitude of commercial constituencies on both sides of the

partnership. It is worth remembering that the parameters of both Irish and Chinese foreign policy remain largely a derivative of the need to ensure economic prosperity. Much like China's political rise the increasing influence of her economy draws as much criticism as it does praise with protectionist temptations threatening to undermine much of the work that has already taken place. While Irish concerns regarding intellectual property and market access have become a recurrent theme, China's desire for market economy status and less obstructed access to European markets and technologies will prove equally critical. For its part, China has been keen to expand trade with Ireland, a country which possesses the kind of technology and technical expertise with which to make the market work. This means China will continue to look with respect and interest on its Celtic partner.

#### NOTES

**[i]** Wang T'ao cited in de Bary W.T et al., 1964, Sources of Chinese tradition, II (1960), Columbia: Columbia University Press, pp56.

**[ii]** Peng, Jinian & Sun Hongyan, 2006, "Government function in Irish economic miracle in Ireland and its enlightenment for China", Journal of Hefei University (Social Science), May, 23:2.

**[iii]** There are notable exceptions to this trend however these are invariably been linked back to the sensitive and as yet incomplete process of national reunification.

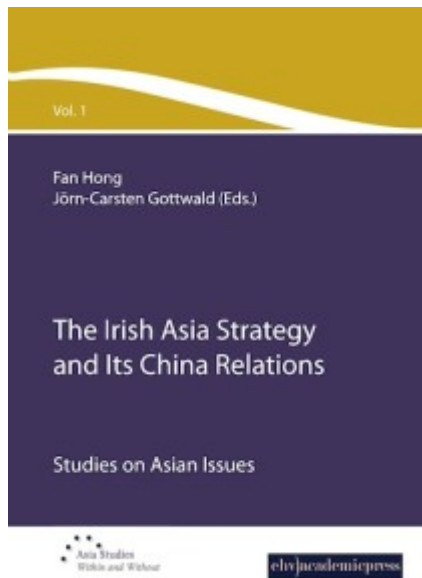
**[iv]** This is not to suggest that such a classification is unproblematic particularly given Beijing's problems in maintaining domestic order at a time of rapid growth.

**[v]** Zhao, Suisheng, 2008, "Chinese Foreign Policy in Hu's Second Term: Coping with Political Transition Abroad", E-Note, 10th May, Foreign Policy Research Institute, available <http://www.fpri.org/enotes/20080510.zhao.chineseforeignpolicyhu.html>

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## Chapter 8: Promoting Irish

# Business In China - The Role Of The Government ~ The Irish Asia Strategy And Its China Relations



The Irish Trade mission that arrived in Beijing on January 16th 2005 was led by the Taoiseach Bertie Ahern. The fact that he was accompanied by no less than four cabinet ministers (Minister Micheál Martin; Minister Mary Coughlan; Minister Mary Hanafin and Minister Noel Dempsey) served to underscore the importance of this particular mission. The trade mission visited Beijing, Shanghai and Hong Kong and, while the overall management and logistics for the business events were handled by Enterprise Ireland, many other state agencies and private industry associations participated in the mission in some way.

Representatives of Irish agencies such as Bord Bia, Tourism Ireland and Shannon Development and members of associations such as IBEC, ISA, Chambers Ireland, and the Irish Exporters Association organised events, working closely with Enterprise Ireland to ensure the success of the visit.

This particular trade mission was in fact the largest ever organised in the history of the state until that time, involving a total of 121 Irish companies and institutions, primarily from in the ICT, Educational Services, Environmental and Engineering Services, Medical Devices and the Food and Drinks sectors. Around 300 Irish people (company executives and officials) travelled on what was an extremely successful but very complex mission. This event marked the culmination of the first stage of a process of engagement with China that had its origins some 6 years earlier - with the publication of the Asia Strategy in 1999.

Enterprise Ireland was set up in early 1998 through the merger of a number of other agencies (including Forbairt and the Irish Trade Board) and charged with responsibility for the overall development of Irish-owned industry. While within Ireland the organisation is involved in many aspects of the growth and development of Irish companies, a very important role of the agency involves the promotion of exports by Irish companies in overseas markets. Though the core of

the overseas work involves making introductions for Irish executives to potential customers and partners and providing on-the-ground assistance in countries around the world, in the more distant markets, and especially in Asia, trade missions led by high level Government figures are very important in raising the image of Ireland generally - and of Ireland as a source of top quality products and services.

In late 1998 the Taoiseach had made his first official visit to China and Enterprise Ireland organised its first trade mission to accompany that visit. On that occasion only around 20 companies accompanied the official delegation. Given the recent developments in the China market it was obvious that Ireland's overall level of engagement with the country was abysmally low and, following the visit, the Taoiseach requested a group of officials and private sector individuals to develop a coherent national strategy that would put Ireland on a stronger footing in terms of its overall relationship with Asia and with China in particular. The document that resulted from the deliberations of that committee was published in early 1999 as the Asia Strategy.

As the lead agency in terms of the development of Irish industry and the promotion of Irish exports, Enterprise Ireland was heavily involved in the development of the Asia Strategy - and its own plans for the growth of exports to Asia formed an integral part of the plans outlined in the published document.

Though the Irish Trade Board had initially established an office in Beijing in 1979, in the same year in which Ireland exchanged diplomatic relations with China, Irish exports to China were always at a low level due to the closed nature of the market and the difficulties faced by Irish companies in trying to access such a distant, different and under-developed market. By 1999 the situation was of course very different: China was developing rapidly and opening up to the global economy - and it was obvious that, in the years to come, the Chinese economy was going to continue to grow at a rapid pace. Following the publication of the Asia Strategy in 1999, Enterprise Ireland moved quickly to strengthen its operations in China, with offices in Beijing and in Shanghai (the two most developed cities in the country) and a further office in Hong Kong, which covered the southern part of the country, including the industrial powerhouse of Shenzhen.

In comparison with other countries in the EU Ireland has had very little history of engagement at a business level with China. While multinational companies with operations in Ireland always traded with Asia, this was to a large extent dictated

by their global business strategies. In the early days of industrialisation in Ireland our larger companies, such as those in the food and drinks sectors were generally confined to selling into European and US markets. It was not until the development of new processing technologies and the growth of the software and services sectors that Irish industry acquired the right products and the economies of scale required to tackle the more distant markets in Asia. In addition, unlike countries such as the Netherlands and the UK that have companies that can trace their origins back to older national trading empires and that have had operations in Asia for many years, Ireland lacked a basic network in the region upon which to build new business.

### *8.1 Building the Business*

The Enterprise Ireland team was charged with opening up the China market for Irish industry and with making contacts in local companies and organisations that would be useful to Irish companies - and also with encouraging more Irish companies to become familiar with the potential of that market.

As mentioned above, a major part of the work carried out in Enterprise Ireland's overseas offices involves "matchmaking" for Irish business executives - setting up meetings with prospective business partners (local companies and local executives) for visiting Irish companies. However, given the low level of knowledge about China in Ireland at that time it was necessary to actually encourage more Irish companies to visit the market. Regular seminars were organised in various locations around Ireland with senior Irish executives speaking about their experiences in this very exciting market. Many trade delegations were organised to visit Ireland from China, allowing the Irish business community to establish links with Chinese business people and various media outlets were used wherever possible to promote the fact that China was now "open for business".

In more recent years, the enormous media attention devoted to the phenomenal growth of China and its emergence as the "factory of the world" has obviated the need to publicise China within the Irish business community. Most Irish companies with products that can be exported to Asia have by now taken a serious look at the China market.

Within China itself, Enterprise Ireland initiated programmes to actively raise the awareness of Ireland through the Chinese media, organising journalists and TV crews to visit Ireland to produce features on Ireland in the Chinese media. Opportunities were sought to speak at various business events and it was decided

to concentrate on the promotion of a number of business sectors where it was felt that Irish business had a competitive advantage in the China market.

Given the rapidly growing strength of China's manufacturing sector and its very low cost-base, it was natural that the focus should be on promoting and selling the Irish service sectors, rather than on manufactured products. Awareness of Ireland as a leading source of software was growing within China and this was greatly helped by a visit made to Ireland by former Premier Zhu Rongji in September 2001. The team of economists that accompanied him compiled a report on Ireland's IT sectors and they effectively spread the message within China that Ireland was a model for China to follow in the development of its own IT sectors. In the following years many Chinese people visited Ireland to see what could be learned about the software sectors and, from relationships developed in those years, a good number of Irish companies with strengths in the financial services, telecommunications and mobile applications software have since begun to prosper in the China market.

Education Services was also a focus of activity from the beginning of the Asia Strategy. Aside from the revenue generated from incoming students for the third-level institutions in Ireland and for the economy in general, Enterprise Ireland recognised that Chinese students completing their studies in Ireland could, when they returned to China, become a very important base of contacts upon which Irish trade could be expanded.

In recent years, as newly minted graduates are starting to return from Ireland, they are interested in keeping their links with Ireland. Enterprise Ireland has supported the formation of a number of local alumni associations to encourage these networks. Irish companies entering the China market can now find young executives who have a good understanding of Ireland - and in some cases even speaking with distinct Irish accents!

The massive infrastructure investments being made by the Chinese Government also attracted Engineering and Construction services companies from Ireland and other companies producing a wide range of high-tech products began to find new markets in China.

In moving from a command economy to a socialist market economy almost every aspect of the Chinese economy has gone through very dramatic change. In 1995 the country had over 200,000 state owned enterprises, most of which were loss-making or technically insolvent. By 2006 their numbers had been reduced to around 60,000. While some were reformed and later listed on the stock exchange

and some were sold to local and foreign companies, many were simply shut down. In some years more than 12 million people lost their jobs in Chinese state owned companies, but due to the massive infrastructure projects underway across the country and the very rapid development of the newly liberalised private sectors, many of them were able to find new jobs. The growing need for power has driven the Central and Provincial Governments to invest heavily in new power generation projects across the country and the completion of the controversial Three Gorges Dam in 2007 was an indication of the capability of China's new economy.

While the major cities along the east coast of China were the first to reap the gains of the liberalised markets, the Government was, and is, concerned that the new prosperity must reach the rural and western areas of the country - and in recent years much attention has been focused on bringing infrastructure and jobs to the central and western areas.

Because of the very low level of investment in the high technology sectors in the previous decades, China was able to move directly into the most modern technology available - without have to deal with the physical and financial burden of older legacy systems. For example, in the early 1980's it was difficult to get a telephone in China but by 2007 China Mobile was the largest mobile telecommunications company in the world and internal growth in internet usage continues to lead the world.

## *8.2 Market Entry Issues*

Given such explosive growth in everything from infrastructure to services the opportunities within the China market are enormous, but the market itself presents some unique and unusual difficulties for novice exporters.

Given the low level of English speaking ability in China, communications can pose an obvious problem for foreign business people. While there are lots of interpreter and translation services available in the major cities, unless the person hired to interpret has some understanding of business and can grasp the details of the foreign company's offer they will be of little use: it is worthwhile spending time with the interpreter prior to any business meeting to explain the business fully. If it is possible the same interpreter should be used on all business visits.

A more subtle (and problematic) issue is that of local cultures, related to the size of the country. China covers a huge area and the internal regional cultural and



language variations within the country are very diverse. Aside from the fact that more than 20 different languages and dialects are in use, business etiquette and culture varies enormously across the country. It is always best to use local advisors and interpreters from the province or city in which the business is being discussed and not to assume that a person employed in Beijing will be of any use to you in the Guangzhou market.

The vast scale of the country and the internal regional variations of the China market is something that shocks most first-time visitors. After spending some time in the market visitors quickly come to realise that China is a very complex country and should in fact be thought of as being somewhat similar to the expanded EU, with all its regional and country-specific variations.

Trust is a major issue in doing business in China (and in Asia generally). People in China will do business with people they trust personally. Very little attention is paid to contracts or to the specific conditions contained in contracts. Business succeeds or fails based on people trusting each other; on delivering what they say they will deliver - and very importantly, on the ability to be flexible. To build trust between two people or two companies takes time - lots of time spent in company with the prospective partner(s), whether at banquets or dinners or (increasingly) on the golf course. The amount of time it takes to get to know someone personally may frustrate the occasional visitor to China but it is a vital aspect of the business process. Companies need to make a commitment to visit the market regularly over the first few years in order to create the necessary bonds.

In addition, for Chinese people nothing in business can be fixed or rigid - one needs to be prepared to change with changing conditions. To the uninitiated this can seem like continuous and interminable negotiation tactics and there is a common saying that in China "the negotiations start after the contracts are signed". If one is prepared for this fact and one trusts their Chinese partner then this is just one more way to conduct business. Both sides are expected to be flexible. Trying to rigidly stick to written contracts simply does not work in China.

In order to conduct successful business in China (and in Asia-Pacific in general) it is very important to establish a local operation as soon as possible and, given the regional differences referred to above, it is usually not feasible to cover the whole China market from one office. Smaller companies are advised to focus on only one of the major centres in China such as Beijing, Shanghai or Guangzhou (all of which have populations in excess of 60 million in their hinterland) and to avoid

looking at other areas until a successful foothold has been established in that region.

One Enterprise Ireland initiative which has proved to be a big asset to incoming companies is the provision of incubator space in each of our local offices. Using these incubators as a short term base, Irish companies can test the market at a reasonable cost, before committing to the establishment of an independent office.

Many Irish companies seek to enter China in a partnership with a local company and, while there are many Chinese companies eager to form such relationships, the process of selecting a local partner can present its own unique difficulties in China. Though many of the State-owned companies are eager to form partnerships with foreign companies, many are still suffering from the effects of the old command-style economy and are much slower to react to local business opportunities than the new private sector companies. On the other hand, many of the new start-up companies in China are still under-capitalised and, while they may seem to be very professional, they may be stretched financially and it is generally still not possible to do an accurate check on newer companies' financial performance. Again, as mentioned above, it is vital to get to know the individuals involved on the Chinese side and to get a real understanding of their intentions. It is also very important to spend time in their factories and offices to get a good feeling for how well they run their operations.

For anyone entering the China market for the first time, a very basic "rule of thumb" is to avoid dealing with any company that is not already doing business internationally. Aside from the fact that it is much easier to get performance references, if they are already doing business with other international companies successfully, then they will have learned a good deal about what is expected by their foreign partners.

Finally, getting into the Chinese market takes resources in terms of management time and money and unless companies are prepared to spend at least one or two years on the effort it is simply not worth trying. However, most companies that have committed to the market have found the rewards they were seeking. China is a more open and unstructured market than many others in the developing world and the speed at which its economy is growing is astonishing.

### *8.3 Raising Awareness of Ireland*

The focus provided by the Asia Strategy encouraged visits to China by a large number of senior political figures from Ireland in the early years of the decade, all

of which helped to raise the awareness of Ireland. Where possible, Enterprise Ireland made good use of these visits to promote Irish exports. Following the initial 1998 trade mission, in 2000 Enterprise Ireland organised another mission (led by the then Tanaiste and Minister for Enterprise Trade and Employment Mary Harney) and later, in 2002, President McAleese's State Visit to China was the occasion for a third mission.

The numbers associated with these missions are in themselves evidence of the growing Irish interest in China - and of increasing engagement by the Irish business community with China. While the initial 1998 mission attracted only around 20 companies, the 2000 mission involved 58 Irish companies. The mission organised around President McAleese's State Visit attracted 85 participating companies - and the process culminated with the Taoiseach-led mission in January 2005 which brought 121 companies to China. Each of these events set records for participation by Irish companies in trade missions and provided many opportunities for the visiting executives to deepen their relationships with local customers and partners and to make new contacts across the country.

The accessibility of senior Irish Government figures during such missions is an important factor in their success. People in China very rarely have an opportunity to meet with, let alone talk to, their own top-level government officials. While it may not be seen as very important in the west, the opportunity for a photograph, or a discussion, with a country's leaders is highly prized in China - and during these missions the President, Taoiseach, Tanaiste and Ministers were very generous with their time and their accessibility was valued highly by the participants.

The working relationship between the two Governments is also very important in setting the agenda for increasing trade. In the case of Ireland and China the relationship is very good and the focus provided by the Asia Strategy was important in this respect. Since 1999 a number of important bilateral agreements in areas such as Food, Education, Science and Technology and Tourism have been signed at Ministerial level, all of which have helped to develop a framework under which Irish companies can increase their business with China.

In the years since the Asia Strategy was published Ireland's official presence on the ground in China has developed rapidly: A new consulate was opened in Shanghai in 2000 and agencies such as Tourism Ireland, IDA Ireland and Bord Bia (the Irish Food Board) have all established offices in the market.

Aside from the existing offices in Beijing, Shanghai and Hong Kong, Enterprise

Ireland also established a fourth office in Guangzhou in 2004 to better service Irish business in the south of the country. Guangzhou is one of the wealthiest industrial cities in China and a very important centre of manufacturing. This office handles the majority of sub-contracting requests received by Enterprise Ireland.

The presence of so many official Irish offices has greatly helped to raise the awareness of Ireland in China and to assist Irish companies in developing their business in the market.

#### *8.4 Trade with China*

In the years since the publication of the Asia Strategy trade between the two countries has blossomed, as shown by data from the Irish Central Statistics Office. As with all Ireland's trade statistics, these figures are dominated by the two-way trade of the large numbers of multinational companies with operations in Ireland and they do not truly reflect the position of Irish-owned companies, whose trade makes up only a small fraction of the total. In addition, these figures relate only to merchandise trade and do not account for trade in services, a rapidly growing sector of Irish business.

Ireland's exports to China grew by over seven times from, € 119million in 1999 to € 876 million in 2006 while exports to Hong Kong grew to € 627 million in 2006, up from € 333 million in 1999. Given that most of what we export to Hong Kong is later transshipped to the mainland Chinese market the combined figure of somewhat over € 1.5 billion is a close approximation of Ireland's exports to the China market as a whole in 2006 (the last year for which the full year figures are available).

China's exports to Ireland have shown even more remarkable strength over the same period, growing from € 656 million in 1999 to more than € 4.4 billion in 2006. While the balance of trade is strongly in China's favour, this is to be expected given the need of the Irish-based multi-national companies to import vast quantities of parts, components and raw materials to feed their Irish production lines. In fact, without the input of low-cost components from China and other parts of Asia, it would be difficult for these Irish manufacturing operations to remain profitable. The situation is further tilted in China's favour because the vast majority of Ireland's clothing, footwear and consumer products are now originating in China.

Of more direct importance to Enterprise Ireland is the performance of our client base (Irish-owned and Irish-operated companies): Annual surveys of our client

companies show that China is becoming an increasingly important market for Irish companies. Direct exports to China reached € 75 million and total exports to the Greater China market (including Hong Kong) in 2006 reached € 121 million, an increase of more than 20% on the figures for 2005. Greater China now accounts for 18.5% of total Irish exports to the Asia-Pacific region and for fully 25% of total Irish exports to the countries covered by the Asia Strategy.

Though starting from a low base, Irish-owned exports to the Asia Strategy area are growing at an annual rate of around 20%, whereas total Irish exports to the world are growing by about half that figure. Though the figures are not directly comparable due to differences in the means of data collection, the best estimate of Irish exports to Greater China were somewhat over € 8 million in 1998.

As mentioned above, to compete successfully in the Asian and China markets it is very important to establish a local presence as early as possible, so the numbers of Irish companies with operations in the China market is another useful indicator for our level of engagement with the market. In 1999 Enterprise Ireland recorded only 5 companies with operations in China. By 2004 this had grown to twenty five establishments - and by the end of 2007 fifty nine companies had established operations in China, while a further twenty two companies had set up shop in Hong Kong to tackle the China market. While most of these are sales and marketing operations, a growing number of companies are setting up more complex organisations locally - and a small number have set up multiple operations to cover the most important regional markets in this vast country.

An analysis of the products being exported to China and Hong Kong reveal that in both markets food and drink products play a dominant role. In fact, some of our major food companies such as Glanbia and Kerry group have invested in production facilities in China to manufacture food ingredients that cannot be exported profitably into China and to get closer to their customers. International Services exports feature high in the ranks of Irish exports to China: This classification covers a broad range of companies from software to engineering services to education services. Irish software in the China market varies from financial services software to mobile marketing products. A number of our engineering service companies have competed successfully to become involved in the vast amount of construction underway across China.

The growth of the education services sector in importance to Ireland is probably the most visible sign of increasing engagement with China as the number of Chinese students entering the third level system in Ireland has grown rapidly over

the past few years: There are now over 4,000 students from China participating in degree level courses in Irish Universities and Institutes of Technology. The majority of these students are studying business or technology subjects and, while in previous decades most of these graduates would wish to remain overseas, with the tremendous opportunities being offered within the Chinese economy, most graduates return to China as soon as possible after earning their degrees.

Enterprise Ireland has been instrumental in supporting the Irish colleges in the development of Alumni Associations in the various centres around China and these young graduates are already proving to be a very useful resource for Ireland, and a number of them have been employed by Irish companies entering the China market.

### *8.5 A Decade of the Asia Strategy*

Shortly after the Taoiseach-led trade mission to China in January 2005, the Committee of the Asia Strategy reviewed the progress that had been made in engagement with the Asia region over the previous five years. While the original strategy had proved effective in increasing Ireland's engagement with the region generally there had been an obvious concentration on developing the relationships at Government and business level with China, perhaps to the detriment of other regional markets. In announcing the second stage of the Asia Strategy, entitled "A decade of the Asia strategy" in April 2005, Micheál Martin, Minister for Enterprise Trade and Employment confirmed the intention of the Government to continue to focus on the development of relations with Asia with more emphasis being placed on other markets in the region including Japan, India and the ASEAN regional grouping.

After more than a decade of recession the Japanese economy has once again begun to grow at a respectable pace and, given that it is the second largest economy in the world after that of the US, it is of great importance to Ireland's business in the Asia Pacific region. Having gone through a lot of re-structuring in recent years the economy is now much more open to imports and the internal markets are easier to access.

India has emerged as a second major powerhouse in the region, led by the dynamic growth of its Software services and Business Process Outsourcing sectors and, with its massive population growing increasingly wealthy, the internal market is now becoming quite sizable. In 2006 Enterprise Ireland established its first office in New Delhi to provide on-the-ground services to the growing number of Irish companies beginning to tackle the Indian market.

The ten countries that make up the Association of South East Asian Nations (ASEAN) are very diverse in terms of their economies and cultures ranging from the rich city state of Singapore through Indonesia, the largest Islamic state (and one of the poorest countries) in the world, to the rapidly growing socialist market economy of Vietnam. Most ASEAN countries now run a significant surplus in their trade with China and have a vested interest in the continued growth of China's economy. China is also emerging as a significant source of FDI as it begins to acquire resources and to invest in factories across the region. In recent years ASEAN has invited China, together with Japan and Korea, to join in its annual meetings, forming what is now known as ASEAN plus Three. Bilateral Free Trade Agreements with the three countries and ASEAN are now under negotiation and it is likely that Asian intra-regional trade, and freer trade within the ASEAN grouping itself, will boost the ASEAN economies in the coming years. The commitment of the Irish Government to join the Asia Development Bank (ADB) in 2006 was an important part of the second stage of the strategy.

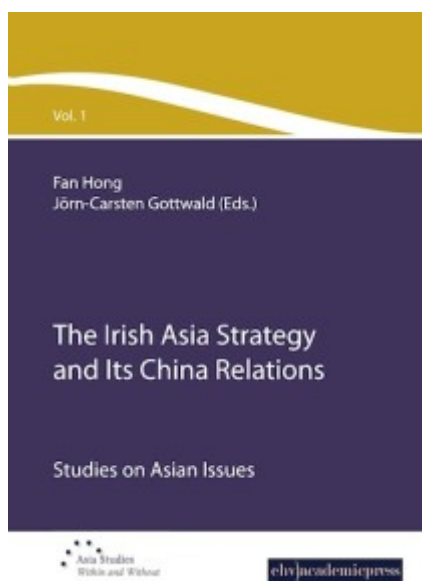
As a member of the Bank, Irish companies are now eligible to bid for a vast range of contracts awarded by the ADB throughout the Asia Pacific region. The ADB works with Governments across the region to develop detailed development plans for each country and, in the process of implementing these plans, there is a need for private companies to carry out both consulting and construction contracts. Enterprise Ireland is now implementing an annual programme to help Irish companies access these projects. With the need for massive investments in their infrastructure, China and India are the major recipients of financing from the ADB and in consequence will be priority targets for Enterprise Ireland in the pursuit of this business.

### *8.6 Conclusion*

The second phase of the Asia Strategy ran until the end of 2009 but it is already quite obvious that it has had an enormously beneficial effect on the links between Ireland and the region. The focused agenda of the strategy has allowed the various arms of the Irish Government and its agencies to coordinate their activities to good effect on behalf of Irish companies and exporters doing business across the region and in China. In an increasingly global marketplace the Asia strategy was a very timely and useful tool to allow Irish business people to access what is expected to be the most exciting and vibrant economic region of the globe in the coming years.

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# Chapter 9: Friendship Between Citizens - The Twinning Of Cities ~ The Irish Asia Strategy and Its China Relations



## *Introduction*

In “A Decade of the Asia Strategy”<sup>[i]</sup>, it is noted that Twinning Initiatives between Irish and Asian cities, towns and regions can assist the further development of personal and business relationships. The concept is popular in Asia and it has a positive contribution to make in strengthening country-to-country ties, facilitating the development of business relationships that require a foundation of mutual confidence and trust. China is a priority country in the Asia Strategy.

On 19th May 2005, the Shanghai Municipal People’s Government and Cork City Council concluded a Sister

City Agreement in Cork City Hall. The agreement was signed by the Lord Mayor of Cork, Cllr. Sean Martin and the Chairman of the Shanghai People’s Congress, Mr. Gong Xue Ping. The text of the agreement is set out in *Appendix I (see below)*. Key principles are the benefits that the relationship will bring to the citizens of both cities and the focus on collaborative projects that “*deliver tangible results and on co-operations that will give the citizens of both cities an opportunity to meet and work together, thus increasing mutual understanding*”.

A Memorandum of Understanding establishing a further five year programme was signed on March 27th 2009 in the Shanghai City Hall by the Deputy Lord Mayor of Cork, Cllr. Patricia Gosch and the Vice Mayor of the Shanghai Municipal People’s Government, Mr. Tang Dingjie. This programme will focus on City Government, Education, Business, Culture and Tourism. A copy of the Memorandum of Understanding is set out in *Appendix II (see below)*.



This chapter describes Cork City Council's experience of the Sister City relationship with Shanghai and the contribution of this process to the achievement of the objectives of the Asia Strategy. It will examine the background to the project, principal activities, barriers and future plans.

### *Background*

The Shanghai - Cork Sister Cities Project is a formal agreement between the Shanghai Municipal People's Government and Cork City Council to provide a framework for co-operation projects between the two cities. The purpose is to develop deep and long-lasting ties between the citizens and organisations of both cities that will promote mutual understanding and bring benefits to the participants. Whilst it is recognised that the development of trade is the primary objective of the Asia Strategy, the purpose of the Sister City Project is wider, encompassing local government, business, education, culture and tourism, in the development of close contacts between the two cities.

The initial contacts between the cities in 2002 and 2003 were fostered by the Irish Department of Foreign Affairs and the Chinese Ambassador to Ireland, Dr. Sha Hailin[**ii**]. The Irish Consuls General in Shanghai, Geoffrey Keating[**iii**] (2000-04), Nicholas O'Brien (2004-08) and Conor O'Riordan (2008-present) have also fully supported the process. Since 2002, the Irish Government has operated a Shanghai Intern Programme for officials from Shanghai. These officials visited Cork in 2002 and 2003 and, following preliminary discussions, both city administrations agreed to explore more formal links. University College Cork had also developed links with a number of Chinese universities and had over 100 Chinese students in 2003.

In February 2004, the Lord Mayor of Cork, Cllr. Colm Burke, made an official visit to Shanghai at the invitation of the Shanghai Municipal Government and was accompanied by the City Manager - Joe Gavin; President of Cork Chamber - Robin O'Sullivan; Prof. Kevin Collins and Prof. Gabriel Crean of University College Cork. This delegation was met by Vice Mayor Yan Junqi (who is currently the vice chairwoman of standing committee of the *National People's Congress of the People's Republic of China* and the chairwoman of *China Association for Promoting Democracy*) and also visited Fudan University, which already has links with University College Cork.

On returning from Shanghai, Cork City Council established the Shanghai Project Group to manage the developing relationship with Shanghai. The members were drawn initially from Cork City Council, Cork Chamber and University College

Cork. The current membership is set out in Appendix III. This project group meets quarterly to review progress and develop new projects.

The establishment of a formal relationship with Shanghai presented challenges to Cork City Council. Shanghai is a vast city with a population of c. 20m, a very different culture and located 12 hours flying time away. Shanghai had formal Sister City agreements with over 60 cities and used the process in a strategic way to build contacts in the wider world. In contrast, Cork had a population of 250,000 persons in the wider metropolitan area and had formal twinning arrangements with Coventry (England), Rennes (France), Cologne (Germany), San Francisco (USA) and Swansea (Wales).

However, both cities were ports, had a history of trade and placed a great emphasis on education. In addition, both cities are the “second cities” in their respective countries and both were located in traditional societies that, after periods of colonisation, were evolving rapidly and facing the challenges of globalisation, not just economic but cultural as well. There are lessons that can be learnt from each city’s experiences of dealing with these issues.

In discussions, the Shanghai Government placed great emphasis on the relationship being established on a sound basis with tangible results, so that its value can be clearly demonstrated to the citizens of each city and to the respective national governments. Both cities appointed contact persons to progress the process - Ms. Lu Yingying for Shanghai (subsequently replaced by Ms. Tu Anyu) and Mr. Pat Ledwidge for Cork. The city governments would act as facilitators to initiate projects, which hopefully become self - sustaining. The initial focus of the relationship was to be on education, culture and business. It was also decided to extend the Shanghai Intern Programme to Cork. This programme involved two officials from the Shanghai Municipal People’s Government staying in Cork for a period of eight weeks. The officials would attend language classes in the mornings and work with the City Council in the afternoons.

Cork City Council identified a number of issues that were crucial to the success of the relationship. The difference in scale and the distance between cities created immediate barriers. For example, the Foreign Affairs Office in the Shanghai Municipal People’s Government had a staff complement of over 300 people whilst Cork City Council’s total staff number is c. 1,600.

However a basis strategy was devised to keep a momentum in the relationship over the long-term through:

- Contacts and relationships created through the Intern Programme;
- Carrying out at least two projects per year;
- Spreading the opportunities for contact as widely as possible within the city.

The Shanghai Municipal People's Government received approval to conclude the Sister City Agreement in late 2004 and Cork City Council approved in November 2004.

The Agreement itself was concluded in May 2005 as part of a three day programme of events that included a business forum and tourist forum. Over 130 delegates travelled from Shanghai to Cork including a full orchestra, 30 business people, 10 tourism enterprises and government officials. The events included a business forum; tourism forum; cultural performance in Cork City Hall (attended by 800 people); visit to University College Cork (including planting of a Magnolia tree - symbol of Shanghai) and exhibitions in the City Library and Millennium Hall. An hour-long programme of the visit was shown subsequently on Shanghai Television at prime time and attracted a large audience.

Since 2005, the relationship between the two cities has developed and been strengthened by the activities described below.

### *City Government*

The Shanghai Internships Programme is a national programme that provides for exchanges of officials. It has been successful in developing important contacts within the Shanghai Municipal People's Government and the governments of the neighbouring cities of Suzhou, Hangzhou and Wuxi. The programme has two elements:

- 10 Chinese officials visit Ireland for 9-10 weeks in July and August each year
- Six Irish officials visit Shanghai and its neighbouring cities in late Autumn

The national programme began in 2002 and, since 2004, two interns have been based in Cork each year for eight weeks. Five Cork City officials have participated in the return delegations to Shanghai. Typically the Intern programme consists of a two week orientation period in Dublin and then the 2 officials travel to Cork. The eight-week Cork Programme involves language classes in UCC each morning and working in Cork City Council three days per week in the afternoon. The interns also make contact with local organisations and with organisations

participating in co-operation projects with Shanghai. Since 2005, Cork City Council has funded the Cork element of the programme. An important element of the programme is that the interns stay with local host families and get a rounded picture of Irish life.

The Dublin-based interns make a three day visit to Cork each year for a typical programme of meetings with Cork City Council, IDA Ireland, University College Cork and Cork Institute of Technology with some sightseeing visits.

The Intern Programme has been particularly valuable in building contacts, which is very important in developing any relationship with Chinese organisations. There have been 12 Cork-based interns and over 40 in total since the project commenced. Contacts have been maintained with the Shanghai-based interns and they have proved very helpful in developing co-operation projects and facilitating visits.

One of the positive outcomes of these contacts is the number of delegations from the Shanghai Municipal and District Governments that visit Cork each year. In the period since the conclusion of the Memorandum of Understanding in March 2009, 13 delegations have visited Cork resulting in a rich diversity of contacts being established (see Appendix V).

### *Education*

The principal goal of the Sister City Agreement between Shanghai and Cork is to develop deep and long-lasting ties between the two cities. Education is a vital part of this process as it is a primary process to developing mutual understanding and overcoming language and cultural barriers.

Both University College Cork and Cork Institute of Technology are members of the Shanghai Project Group (see Appendix III). University College Cork has very active links with a number of universities in China and was one of the key contacts in establishing the relationship. These links are detailed by Prof. Fan Hong in Chapter 10. It should however be noted that UCC has established the Irish Institute of Chinese Studies (IICS) under the direction of Prof. Fan Hong. The IICS offers undergraduate and post graduate qualifications and evening courses for the public. The first group of students from the MA in Contemporary Chinese Culture and Business arrived in Shanghai in March 2008 to commence three months study in China. A second group spent one year in China starting in the autumn of 2008.

The International Students Office also plays a key role in the relationship between the two cities as it is responsible for attracting Shanghai students to UCC and

ensuring they settle in their new surroundings.

For the past five years, Cork City Council has been working with nine schools in the city (five post primary schools, three primary schools and one post Leaving Cert College) on a twinning project with their schools in Shanghai. This project brings the partnership between the two cities alive at the level of the citizen and, through the schools, reaches into the centre of local communities.

In October 2007, teachers from these schools visited Shanghai, met their counterparts in their schools and exchanged ideas for co-operation projects. One year later in October 2008, these schools signed memoranda of understanding with each other. The participating Cork schools and their Shanghai partners are set out in Appendix IV.

This project will develop an awareness of Shanghai and Cork in their respective schools and will hopefully cultivate an interest in China in the Cork schools that will inspire some of the students to pursue this interest at third level through the qualifications offered by the Irish Institute of Chinese Studies. The IICS established a Confucius Institute in partnership with Shanghai University and is currently developing a pilot programme for teaching Mandarin in over 20 schools in Cork and also developing cultural awareness. It is also hoped to develop a programme at national level to organise and fund links with Asian schools such as those administered by Léargeas for European links. Cork City Council is represented on the board of the Confucius Institute.

Cork Institute of Technology is also developing links for some of its constituent colleges with similar institutions in Shanghai. The Crawford College of Art and Design visited Shanghai University in 2009 and a return visit is being planned.

### *Culture*

The cultural links between Shanghai and Cork were established well in advance of the Sister City Agreement being signed in 2005. Two Shanghai cultural organisations performed in Cork in October and November 2004 as part of the build up to 2005 when Cork became the European Capital of Culture. A performance was staged by the Shanghai Dramatic Arts Centre at the Cork Opera House of “Chang Hen Ge” in October 2004, followed by a performance in City Hall by the Shanghai Percussion Ensemble.

To coincide with these performances, a delegation from the Shanghai Municipal Administration of Culture, Radio, Film and TV visited Cork and attended a reception hosted by the Lord Mayor and a meeting with Cork cultural

organisations to explore future contacts. The delegation leader was Mr. Mu Duan Zheng. This meeting formed the basis of an excellent working relationship with this organization which oversees all cultural activity in Shanghai.

As part of the 2006 St. Patrick's Day Festival, Cork City Council invited a Huju Opera Troupe from Changning District in Shanghai to perform in Cork. Huju Opera originated in the folk ballads of the countryside around the Huangpu River which flows through Shanghai and is sung in the Shanghai dialect. The Changning Troupe is famous in China and this was the first time it had performed overseas. The delegation was led by Ms. Wang Ya Ping, Executive Vice-President of the Shanghai Changning Chinese Overseas Friendship Association.

Thirty one members of the troupe visited Cork and performed in the theatre at Cork Institute of Technology. The reaction of the audience was very positive. The eight piece orchestra, which played traditional instruments, also held workshops in three local schools during the visit - Presentation Girls' Secondary School Ballyphehane, Ursuline Convent Secondary School Blackrock and Coláiste Choilm Ballincollig. Members of the delegation also attended the Lord Mayor's Ball.

The Shanghai Library and Cork City Library have also established links. The Shanghai Library presented a gift of 800 books when the Sister City Agreement was signed and an exhibition of some of these books called "Window on Shanghai" was held to coincide with the visit of the delegation from Shanghai. The Shanghai Library has made a further gift of books and visited Cork in 2007 to discuss the plans for the extension of the City Library in Grand Parade as the Shanghai Library is also commissioning a new building.

Other activities over this period have included:

- *September 2005* Participation of Ms. Wang Zhousheng in the Frank O'Connor International Festival of the Short Story.
- *September - October 2005* Visit of Niamh Lawlor of Cork Artists' Collective to Shanghai.
- *November - December 2005* Visit of artists Da Fei and Sun Xin Cong to Cork for residency and exhibitions.
- *March 2006* "Shanghai Images" Exhibition held in Cork Vision Centre from March 3rd to March 28th displaying photographs presented to Cork by the Shanghai Archive.
- *March - June 2006* Photographer Mr. Robert O'Connor undertook a three-month residency in Shanghai supported by Cork City Council, the Arts Council and

Culture Ireland. He produced many images in Shanghai and lectured at Fudan University, and the China Academy of Fine Art, Hangzhou. He held an exhibition in Hangzhou. Mr. O'Connor was assisted in Shanghai by the Consul General of Ireland, Mr. Nicholas O'Brien. He also received extensive advice and assistance from the Shanghai Foreign Affairs Office and the Shanghai Photographer's Association. He held a subsequent Exhibition in April 2007 at the famous Eastlink Gallery Shanghai.

- *May 2006* Visit to Shanghai by the Cork Children's Chorus with assistance from the Shanghai Foreign Affairs Office and Shanghai Association for Friendship with Foreign Countries. Contacts were made with the Shanghai Children's Palace, Shanghai Municipal Children's Choir and Shanghai Youth Centre.

- *November 2006* Visit to China by the UCC-based Vanbrugh String Quartet which included performances in Shanghai.

- *May 2007* Visit by delegation from Shanghai Library led by Mr. Zhou Dering, Deputy Director. The purpose of the visit was to develop ideas on provision of new libraries.

- *November 2007* Liz Meaney, Arts Officer with Cork City Council led a delegation of 10 Cork arts and culture organisations to Shanghai for a week-long programme of meetings with their counterparts.

- *October 2008* Cork City Council participated in the Shanghai International Arts Festival where Cllr. Tony Fitzgerald, Chair of the Arts Committee gave a well-received presentation on the Cork's Year as European Capital of Culture.

- *October 2009* Exhibition "Shanghai & Cork: threads through history" opened by the Chinese Ambassador to Ireland, H.E. Liu Biwei at the Cork Public Museum. This exhibition paralleled the development of Shanghai and Cork from 1840 to the present. It contained material donated by the Shanghai Art Museum and the Shanghai Women's Federation.

- *January 2009 and February 2010* Celebration of the Chinese Spring Festival (New Year) in City Hall with performances by students and staff from University College Cork and visiting performers from Shanghai.

### *Business*

Cork Chamber is an active participant in the Sister City programme. Increasing business contacts was identified as an objective of the Shanghai-Cork Sister City project from the beginning. It is not possible to record all of the contacts that have developed between individual companies. However, there have been important events:

- *May 2005* A Business Forum was one of the events held in Cork as part of the programme celebrating the conclusion of the Sister City Agreement. This event was organised by Cork Chamber and attended by 30 Shanghai companies and local businesses also. The Shanghai Chamber of International Commerce and Shanghai Federation of Industry and Commerce both sent delegations to this event.
- *October 2006* Visit to Shanghai by delegation of 20 organizations from Cork Chamber at invitation of Shanghai Chamber of International Commerce supported by Enterprise Ireland and the Irish Consul General in Shanghai. The members of the delegation were from the tourism, engineering, education, construction and software sectors. A Memorandum of Understanding was signed between the two organizations.
- *August 2009* Visit to Cork by the Shanghai Federation of Industry and Commerce, which included the conclusion of a Memorandum of Understanding with Cork Chamber and a business networking event.

In addition, the formal relationship between Shanghai and Cork has made it easier to work with the Chinese Embassy officials to assist individual businesses with inquiries.

### *Tourism*

Tourism was also identified as a pillar of the Sister City relationship between Shanghai and Cork. Tourism links are still developing but face some of the barriers listed below. Under an agreement signed in 2004 with China, Ireland was accorded "Approved Destination Status". A framework has been established under the agreement which facilitates organised group tourism from China to Ireland. The first official tour from China visited Cork in 2005.

Tourism Ireland now has an office in Shanghai and Cork City Council has hosted a number of delegations from Shanghai and its neighbouring provinces that have come to Cork to explore it as a tourism destination. Two film crews have also visited Cork from Shanghai TV and CCTV (the main tv company in China) and their programmes have attracted a combined audience of 22m people.

A more unusual event occurred on Wednesday October 24th 2007, when the Concert Hall in City Hall played host to the highly impressive "Rose Wedding Ceremony". The Rose Wedding is a huge Chinese festival celebrating marriage, which takes place every October in Shanghai. The streets come alive during the festival, with street parties and entertainment, as the newlyweds are paraded like



celebrities around the city.

As part of the experience, a Rose Wedding Committee works closely with a Chinese travel agency to select a destination for the Rose Wedding Honeymoon. As a direct result of approaches from Tourism Ireland, the Rose Wedding Committee was invited to Ireland on a familiarization visit and, as a result, Ireland was chosen as the destination for this year's Rose Wedding honeymoon. The newlyweds, accompanied by Tourism Ireland, traveled around many of Ireland's beautiful regions including Limerick, Cork, Clare, Waterford and Dublin. As Cork is Shanghai's Sister City, Cork City Council was chosen to be an important link in this event. Every step of the trip, including the ceremony in City Hall was filmed by the Chinese Saturday night prime-time show, "Dating on Saturday", which has an audience of over 1.6 m people.

### *Barriers*

Notwithstanding the success of the co-operation programmes between Shanghai and Cork, there are significant barriers that need to be addressed if the overall project is to continue. There barriers are:

- a. Physical Distance
- b. Language
- c. Difference in scale between the two cities
- d. Work restrictions on bona fide students
- e. Visa requirements
- f. Graduate employment opportunities

The *physical distance* between the two cities places a constraint on visits. It can take 21 hours to reach Shanghai from Cork and basic air fare is in excess of € 900. In addition, the distance and time mean that visit times are extended to allow a recovery period, which in itself adds to the cost of projects that must at some stage have a face to face element in order to be meaningful. Thus, a basic cost is added to all projects over and above that experienced in co-operation projects with European cities.

There are a number of ways to overcome this barrier, depending on the type of project proposed. Depending on the purpose of the visit, the Shanghai Municipal People's Government and/or Cork City Council are in a position to offer assistance. An extension of this approach would be the creation of a funding stream under the Asia Strategy, as twinning initiatives are specifically mentioned in the Asia Strategy.

It is also possible to reduce costs through “home stay” accommodation and this would be particularly appropriate in school exchanges. This has the added advantage that it allows the person experiencing the home stay to encounter the host culture at a deeper level. Home stay is an integral part of the Intern Programme.

For delegations from Shanghai, it is possible to include Cork in a programme of visits to a number of European Sister Cities, as Shanghai has in excess of 60 Sister Cities.

*Language* can also be a communication barrier and this can inflate the costs of projects through translation costs. However, the purpose of the overall project is to develop a deeper understanding of each other’s people and culture and language is a fundamental element of this. It is hoped that, over time, language will become a decreasing barrier.

In Shanghai, most children commence English classes at age six to seven and there is a growing familiarity with English. Chinese courses have commenced in UCC as part of undergraduate and post graduate studies and in evening classes. Mandarin Classes are also currently being piloted in post primary schools in Cork and the schools currently participating in the Sister City Schools Programme are ideal candidates.

The *difference in scale* between the two cities can also be a barrier but it can be argued that this is primarily a perception issue, as the types of co-operation projects that are promoted will be generally between individual organisations such as schools or cultural institutions. In addition, contact have been made with some of the 19 District Governments in Shanghai and this gives a more local and citizen-based character to projects. These contacts have been developed through the Intern Programme and so far projects have been initiated with the Luwan, Changning and Zhabei Districts. The basic strategy in dealing with the scale of the two cities has been to ensure that the relationship remains sustainable in cost and relevance terms. This has been achieved by concentrating on one or two large projects per annum and placing a premium on face-to-face contacts.

Education is one of the pillars of the Sister City Agreement and Cork benefits from Chinese students coming to Cork to pursue third level education and to learn English. These visits can be short- or long-term. This interaction is also an excellent way for individual contacts to be established between citizens of both cities and these contacts can form into long-term friendships. This is the overall goal of the Sister City Agreement. As Shanghai students are not EU residents,

their tuition fees for third level education courses are doubled in general. Also, accommodation and living expenses are considerably higher in Cork than in Shanghai. The visiting students may thus need to supplement their income with part-time employment. The regulation introduced in 2005 limits work permits to students attending courses of at least one year's duration and recognised by the Department of Education and Science. This impacts negatively on shorter language courses in particular and will affect less well-off students in particular.

A barrier to the development of tourism's contacts with China is the lack of direct flights between Shanghai and Cork (and between China and Ireland). This is compounded by the fact that Chinese citizens are required to have an additional visa for any country that they transit through en route to Ireland.

As the number of Shanghai students obtaining third level qualifications in Ireland continues to increase it provides an opportunity for the country to benefit from their skills when they graduate, particularly as labour shortages continue in key professional and technical areas. Providing graduates with additional time to gain employment experience will also deepen their contact with Cork which is the key goal of the Sister City Agreement.

### *Conclusion*

Cork City Council is committed to the continuation of its productive relationship with the Shanghai Municipal People's Government. The past five years have demonstrated the potential for real, sustainable contacts between the citizens in both cities and the benefits that will accrue to each city. Under the terms of the Sister City Agreement concluded in 2005, it was reviewed in 2009 and a new programme agreed.

There are three basic challenges facing the project:

- a. How to overcome the distance barrier?
- b. How to continue to make the relationship real for the citizens of both cities?
- c. How to identify issues of mutual concern to both cities and devise appropriate co-operation projects to deliver real benefits?

The people and organisations involved in the process in both Shanghai and Cork will continue to meet these challenges in developing the relationship between the two cities.

### *Appendix I - Text of Sister City Agreement*

*Agreement on the Establishment of A Sister-City Relationship between the City of Cork of the Republic of Ireland and the City of Shanghai of the People's Republic of China*

Having worked over the past two years to promote a deeper affiliation between Cork and Shanghai, and in the context of the developing relationship between the Irish and Chinese peoples, the cities of Cork and Shanghai wish to develop a long-term relationship that will be of benefit to the citizens of both cities.

To provide a framework for this relationship, the Cork City Council and Shanghai Municipal People's Government agree to establish a Sister-City relationship that will focus initially on business, tourism, culture and education linkages.

The two cities will also place a high priority on collaborative projects that deliver tangible results and on co-operations that will give the citizens of both cities an opportunity to meet and work together, thus increasing mutual understanding.

Both cities will record the activities carried out under this Agreement and review the programme every two years. Opportunities to strengthen the relationship between the two cities will be identified and realised on an ongoing basis.

This Agreement has been signed in the City of Cork on May 19th 2005 in the Irish, Chinese, and English languages with all three texts being equally authentic.

Cllr. Seán Ó Martín  
Lord Mayor of Cork ,  
Representative of Cork

Mr. Gong Xue Ping  
Chairman, Shanghai People's Congress  
Representative of Shanghai

*Appendix II - Text of Memorandum of Understanding*

*Memorandum of Understanding on the Future Development of the Sister-City Relationship between the City of Cork of the Republic of Ireland and the City of Shanghai of the People's Republic of China (2009 - 2014)*

Cork City Council and the Shanghai Municipal People's Government signed a Sister-City Agreement on May 19th 2005. That Agreement focused on business,

tourism, culture and education links. Having carried out a review, both city governments are very pleased to note that many activities have been carried out between both organisations and individuals from Cork and Shanghai under the aegis of the Sister-City Agreement.

Given the growth in contacts between the two cities, Cork City Council and the Shanghai Municipal People's Government have decided to implement a Memorandum of Understanding to identify future activities. The Agreement signed in 2005 governs the Sister-City relationship and this Memorandum of Understanding is subsidiary to that Agreement.

The following activities will be pursued during the next five years:

### *I. City Government*

- Continue to support activities under the Sister City Agreement.
- Continue the Intern Programme.
- Support visits by delegations and individuals to examine local government issues.
- Cork will develop further contacts with the District Governments of Shanghai.
- Participation by Cork in the Irish Pavilion at the Shanghai EXPO 2010.
- Maintain a record of activities under the Sister City Agreement.

### *II. Education*

- Support the further development of academic links, both teaching and research, between the higher education institutions in the two cities.
- Support the development of the University College Cork (UCC) Confucius Institute which is in partnership with Shanghai University.
- Encourage and support scholarly exchanges by undergraduate and postgraduate students from higher education institutions in the two cities.
- Continue the Shanghai - Cork Schools programme.
- Support the establishment of the Confucius Classroom Programme for schools in Cork.

### *III. Business*

- Explore the potential of Cork as a destination for Chinese companies locating functions in overseas locations;
- Develop opportunities to support work placement/internships for undergraduate and postgraduate students in companies in Cork and Shanghai.

- Development of business links between indigenous companies based in Cork and companies in similar business segments in Shanghai.

#### *IV. Culture*

- Support cultural contact between organisations in both cities through visits by individual organisations, attendance at festivals and activities which will deepen artists' understanding of each city.

#### *V. Tourism*

- Continue to build on the work and relationships fostered to promote both cities as attractive leisure and business destinations, communicating the assets of the each city through organised seminars, shows and festival attendance.

Progress under this Memorandum of Understanding will be monitored annually and formally reviewed in 2014.

This Agreement has been signed in Shanghai on March 25th 2009 in the Irish, Chinese and English languages, with all three texts being equally authentic.

Tang Dengjie Cllr.  
Vice Mayor Deputy Lord  
Representative of Shanghai

Patricia Gosch  
Mayor of Cork  
Representative of Cork

#### *Appendix III - Shanghai Project Group 2010*

Cllr. Patricia Gosch - Cork City Council (Chair)  
Cllr. Mary Shields - Cork City Council  
Cllr. Ger Gibbons - Cork City Council  
Mr. Joe Gavin Cork - City Council  
Mr. Patrick Ledwidge - Cork City Council  
Ms. Liz Meaney Cork - City Council  
Ms. Noreen Mulcahy - Cork City Council  
Ms. Mary Mannix Cork - City Council (Secretary to the Group)  
Mr. Conor Healy - Cork Chamber  
Mr. Michael Delaney - Cork Institute of Technology

Mr. Ed Riordan – Cork Institute of Technology  
Prof. Paul Giller – University College Cork  
Prof. Fan Hong – University College Cork  
Ms. Louise Tobin – University College Cork  
Ms. Hilary Creedon – Fáilte Ireland South West

#### *Appendix IV – Cork Schools and their Shanghai Partners 2008*

1. St. John's Central College – Zhonghua Vocational School
2. Presentation College – Bi Le High School
3. Christ the King Girls Primary School – Seven Colour Flower Elementary School
4. Scoil Mhuire Jianqing – Experimental School
5. Scoil Mhuire Fatima – Shanghai Hengfeng Middle School
6. Mayfield Community School – Shanghai Shibeijunior Middle School
7. Ashton School – Shanghai Lingnan Middle School
8. Presentation Secondary School Ballyphehane – Shanghai Xijiao School
9. Ursuline Secondary School – Shanghai Kaiyuan School

#### *Appendix V – Shanghai Municipal and District Government Delegations since March 2009*

1. Shanghai Municipal Transport Bureau (July 1st)
2. Shanghai Pudong Construction & Transport Committee (July 5th & 6th)
3. Shanghai Civil Affairs Bureau (September 21st & 22nd)
4. Shanghai Baoshan District Government (September 24th )
5. Shanghai Municipal People's Congress Standing Committee (October 12th)
6. Shanghai Women's Federation (October 15 & 16th)
7. Shanghai Xuhui District Government (October 19th)
8. Shanghai Minhang District Government (October 21st)
9. Shanghai Putuo District Government (November 2nd)
10. Shanghai Zhabei District Government (November 5th)
11. Shanghai Luwan Sports Bureau (November 23rd)
12. Shanghai Putuo District Government (November 2nd)
13. Shanghai Zhabei District Government (November 5th)

#### NOTES

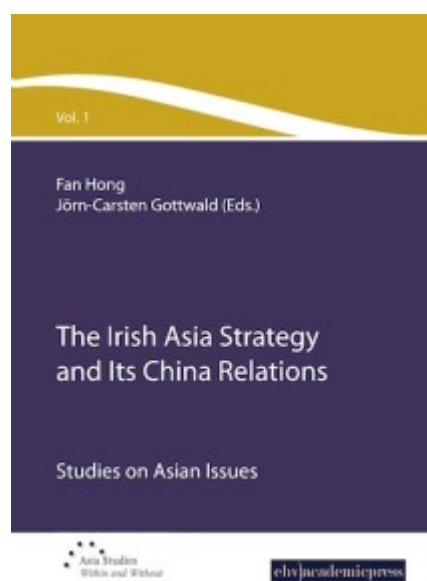
**[i]** “A DECADE OF THE ASIA STRATEGY 1999-2009” Department of Enterprise, Trade and Employment, Dublin, 2006.

[ii] Since 2005, Dr. Sha has been Governor and latterly Part Secretary in the Shanghai Luwan District. In early 2008, he was appointed Deputy Secretary General of Shanghai Municipal Government.

[iii] Mr. Keating is current the Irish Ambassador in Bulgaria.

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## Chapter 10: Connecting Cultures - The Role Of Education ~ The Irish Asia Strategy and Its China Relations



### *Introduction*

Throughout the 1990s education increasingly became an export commodity for “first world” nations. This growth in the international education market was enabled by the increasing wealth in developing nations. The drivers of the trend also included limited availability of higher education places in developing nations; desire to access knowledge and technology; to learn respectable English language skills; and to make foreign contacts. In addition, the roles of fashion and the societal pressure to have foreign educated offspring should not be under-estimated.

Ireland is an English speaking nation with a credible education brand and it was well positioned to benefit from this trend. In recent times, therefore, education has naturally been a constant thread in the main political speeches on Irish/Asian relations and in the key strategy documents on the matter.

The Irish government’s Asia Strategy has been the touchstone of the Irish government’s efforts to build relations and support and stimulate economic and cultural activity with Asia. This short paper reviews and considers the role of



education in the Irish government's Asia Strategy over the decade from its inception in 1999 towards the end of its second 5 year period in 2009, specifically in connection with China. It also reviews the political will, some key events and finally UCC's practical experience with its Institute of Chinese Studies.

It will be seen that education has assumed an importance wider than simply that of a valuable export sector; rather that it is increasingly recognised as an agent of intercultural awareness and a key enabler of future business relationships.

Ireland's Asia Strategy has been supported by high level political exchanges. Education was highlighted by these exchanges. Bertie Ahern, Prime Minister of Ireland (the Taoiseach), visited China in January 2005. The Taoiseach was accompanied by the Minister for Education and Science, Mary Hanafin and by the heads of Irish Universities and Colleges. One of the objectives of the visit was *"To increase awareness of Ireland's education system and the links being established between Chinese and Irish institutions"* and in the course of the visit agreements were signed in matters of education and scientific research. Bertie Ahern's speeches were laced with references to education and culture and he made reference to an agreement that had been signed between Shanghai Fudan University and Trinity College Dublin.

When Brian Cowen visited China in 2008 he was similarly accompanied by the Education Minister, this time Batt O'Keeffe. Mr Cowen recognised achievements in the development of educational ties between Ireland and China and concluded, "There have been some important milestones in the rapid development of our bilateral educational cooperation". He noted the level of activity of Irish Institutions in China and the importance of Chinese students to Ireland.

He hoped the numbers of Chinese students in Ireland would grow but also stated that he wanted to see more Irish students come to study in China as well.

The prominence given to education in speeches on these visits demonstrates awareness at the highest levels of the importance of education in Ireland's dealings with China. Mr Cowen was speaking at a later moment in the decade of the Asia Strategy and was able to draw on specific examples of progress. Mr Cowen's wish to see more Irish students studying in China appears to evidence a growing awareness that the opportunity in education in terms of the strategy extended beyond education as an export commodity for Ireland; and that the human contacts he referred to would be the foundation of Irish-Chinese business into the future beyond the impetus of the initial Asia Strategy.

### *The Asia Strategy, Education and China*

The Irish government report “A Decade of the Asia Strategy” reflected on the achievements of the Strategy in its first 5 years from 1999 to 2004. It recognised dramatic increases in key measures including exports from Ireland and the number of Irish companies established in Asia. It also noted that high level reciprocal political visits had taken place and that much effort and resource had gone into raising awareness and into forging long term institutional connections. The document went on to set out the targets and priorities for the second 5 years of the strategy.

This section of this chapter specifically reviews the relevance of education and China in this key document:

1. It recognised that further development of bilateral trade would require “advancement not only of economic and trade relationships but other across... social and cultural dimensions.” The value of Education as an economic and trade commodity will be understood, but it should also be understood that education has relevance in that it is a forum in which social and cultural relationships can be developed.
2. The primary objective for the next 5 years was established as “to intensify the levels of political, business and other forms of interaction with the priority Asian countries so that Ireland benefits to a significantly greater extent from the trade and other benefits.” The potential of education in business and other forms of interaction will be readily appreciated.
3. The report identified China as one of 8 countries for prioritised attention and support. The other priority countries are Japan, Korea, Singapore, India, Malaysia, Indonesia and Vietnam but this paper focuses on China.
4. It noted that the successful establishment of businesses in Asian markets requires “proper planning and resource commitment”; and that “this can present significant challenges for smaller companies.” The reference to resource commitment would include human resources, which would also of course do the planning. Education and academic research have significant roles in providing the required knowledge and human resources for businesses both large and small.
5. It noted the role of ASEM (the Asia Europe Meeting) in political, economic, trade and people to people issues.
6. The report noted projections in increase in students studying abroad and that the greater part of the increase is expected to come from the priority Asian countries. Specifically in relation to China it anticipated 5,000 students by 2009.

7. It advised an Institute of Chinese Studies to enhance the understanding of Chinese language and culture in Ireland was in the process of being established. The outcome of this was the establishment of two Institutes in 2006; one at UCD (University College Dublin); the other at UCC (University College Cork).

8. It noted that “a better understanding of Asia and its peoples is important to the development of sound economic and trading relationships.” The Department of Foreign Affairs would advance proposals for an Institute of Asian Affairs. In practice Irish Educational Institutions have collaborated to establish in an Asia Studies Ireland Association.

9. The report recognised value in international students beyond simply the direct education and accommodation fees:

a) “Graduates and students from the priority Asian countries will now be a valuable resource as this country seeks to strengthen its research and technological base.”

b) An “important network of contacts and trade partners.” It advised that such networks would be supported through alumni associations.

c) It noted a scholarship scheme to attract top Asian graduates and students to Ireland.

d) It recognised the economic benefits of developing education links extend far beyond the tuition and accommodation income. Rather, that there are immediate benefits in additional expenditures by foreign students and a wide range of longer term benefits. The longer term benefits include human resources equipped to drive business between Ireland and its Asian markets.

10. It records a number of measures to encourage development of sustainable educational links including scholarship schemes and the establishment of new Asia-specific Irish Institutes.

It also committed political will behind the strategy and the next section of this paper touches on this aspect.

Guided by this Strategy, the past decade saw rapid growth of exchanges between universities, institutes of technology and independent colleges in Asia and Ireland. The growing number of Asian students who study in Ireland’s higher education sector, especially the increase of Chinese students, is one of the many examples. The Higher Education Authority, the supervisory body for universities and colleges, has reported dramatic increases in the numbers of foreign students in the last decade, especially from China and other Asian countries. **[i]**

According to a survey conducted by the International Education Board Ireland, 6,314 students from Asia registered for 2003/4 academic year in Ireland's higher education sector. 2,874 of which were Chinese. By the end of 2004, 35% percent of the international students in Ireland's higher education sector were from Asia. The number of Asian students registered for the 2005/6 academic year had increased to 8,097 of which the number of Chinese students was 3,411. **[ii]**

Today, the foreign student market has become a big money spinner for Ireland and Asia is a key market. The students who bring real revenue (about €26,000 each per academic year) to institutions and the economy are students who come from outside the European Economic Area (EEA) and who engage in full-time, long-term study. Even US students, for whom this country is popular, only tend to stay for a semester or a year. The Asian students are the ones who come and complete their degrees, masters and PhDs. **[iii]**

In addition to the flourishing foreign student market which benefited from the growing number of students from Asia and China, the past decade also saw the rapid development of Chinese studies in Ireland and exchanges between Chinese and Irish higher education institutions.

Below are some of the major achievements:

- An intergovernmental agreement on the Mutual Recognition of Qualifications between China and Ireland was signed in February 2006.
- The establishment of the Irish Institute of Chinese studies in UCC and UCD in 2006.
- The establishment of the Association of Chinese Studies in Ireland in 2006.
- The opening of two Confucius Institutes in Ireland. The Confucius Institute, also known as "Hanban," is a cultural outreach organisation, funded by the Chinese Government. It operates by supporting partnerships between Chinese and foreign universities. The first Confucius Institute in Ireland had been opened at University College Dublin (UCD) in 2006 in partnership with Renmin (People's) University. The second opened at University College Cork (UCC) in 2007 in partnership with Shanghai University.
- The establishment of Irish Studies in China. National University of Ireland Maynooth (NUIM) and Beijing Foreign Studies University cooperated to launch an Irish Studies Centre in Beijing in Spring 2007.
- The Establishment of the Sino-Irish Education Centre between NUIM and Beijing University in 2008.

- The signing of an agreement on PhD cooperation between Ireland and China in 2008. The

Irish Universities Association (IUA) and the China Scholarship Council were already active in this area with an agreement for the exchange of PhD students between Ireland and China. The aim was to develop long term strategic research links. Funding was made available for PhD students through the Higher Education Authority's (HEA) Strategic Innovation Fund and Chinese Scholarship Council.

- The establishment of the Asian Studies Association Ireland (ASIA) in 2008. It aims to develop networks of Asian Studies among Ireland.

- The establishment of the Irish Association of Chinese Teaching and Learning in 2009.

- The establishment of UCC's School of Asian Studies in September 2009. The School of Asian Studies aims to develop comprehensive undergraduate and postgraduate programs on all aspects of study within the Asian region.

- The establishment of 8 Confucius "Classrooms" in Cork in 2010. The Confucius Classrooms offer Chinese culture and language courses in 24 local primary and secondary schools with over 850 students.

- The establishment of a Confucius Classroom in NUIM in May 2010.

In addition to the above achievements, UCC's experience will be presented to help understand how Ireland's Asia Strategy was implemented in universities and the achievements in Ireland so far.

### *The UCC Experience*

Unsurprisingly, the international commercial community is obsessed with China and understanding China has become increasingly globally important. The need for quality education on Chinese matters will be readily appreciated in the context of the consistently growing importance of China, most commonly illustrated by figures for GDP magnitude and growth.

UCC had the vision and ambition to develop the Chinese and Asian Market. With its well developed academic courses; teaching and research expertise; a large and attractive campus; a long-established scholastic tradition; credibility; and a record of delivery at international level, UCC was well equipped to enter the Chinese and Asian markets.

The creation of the Asia Strategy provided UCC with the opportunity to establish

the Irish Institute of Chinese Studies (IICS) in June 2006. This section will give some insight into the practical experience of the IICS at UCC.

Given that the impetus for the IICS was the Asia Strategy, the overall objective of the Institute was to implement the “Asia Strategy” and to directly and indirectly contribute to the economic, educational and cultural development of Ireland. This objective would be achieved through the following areas of activity:

1. *Produce an Irish generation* who can effectively deal with China in the 21st Century.
2. *Educate the general public* and enhance mutual understanding between Ireland and China.
3. *Promote multi-disciplinary research* on contemporary issues in China and Greater China.
4. *Assist the International Education Office* to provide educational opportunity for Chinese students and create a Chinese constituency with knowledge of, affection for, and links with Ireland.

*Produce an Irish generation who can effectively deal with China in the 21st Century*

The IICS at UCC initiated in just under three years four taught degree programmes in which the students spend their third year at one of our Chinese partner universities including Shanghai University and South China Normal University in Guangzhou. The courses are BA in Chinese Studies, BCom (International) with Chinese Studies, HDip in Contemporary Chinese Culture and Business and MA in Contemporary Chinese Culture and Business.

In order to allow students to develop their academic expertise in a particular area of interest relating to Contemporary China, the IICS also introduced MPhil/PhD & Post-Doctorate Programme. The programme is of particular interest to graduates in social sciences and humanities preparing for a career interacting with China.

The quality of the Institute’s teaching was publicly recognised. The European Award for Languages, a Europe-wide initiative supported by the European Commission, named the IICS at UCC as a winner in 2008 for its excellence, dedication and innovation in Chinese language teaching and learning in Irish Higher Education. By the end of 2009, 165 students were taking BA, BCom, MA and HDip degree courses. The number of PhD students had reached 19 by September 2009.

In addition to delivering degree programmes, the IICS at UCC encouraged integration of the University’s ethnic Chinese and other nationalities. This

happens via various media e.g. a learning “buddy” system, where Chinese and Irish students pair and help each other in their studies. A Chinese Studies Society was also established by students from the IICS at UCC. The quality of international relationships formed at UCC demonstrates an intercultural ease that bodes well for the future relationship of the geographical areas.

*Educate the general public and enhance mutual understanding between Ireland and China: the role of the UCC Confucius Institute*

In this area, in particular, the IICS was assisted by the UCC Confucius Institute which is a joint venture between UCC and Shanghai University since November 2007. Through this medium UCC is privileged to receive support of visiting language teachers and volunteers from Shanghai University; executive support and a library of 4,000 Chinese books. The Confucius Institute also supplies funds for language and cultural activities. It offers a rich programme of language teaching and cultural activities that reaches out to the wider university and public.

The UCC Confucius Institute offers non-degree courses in Chinese aimed at part-time and adult learners in Cork region. The Institute also offers Chinese culture and language courses within 24 local primary and secondary school to over 850 students. In 2009, the Institute introduced a Chinese Language Teaching Centre and HSK Examination Centre into the university giving students the opportunity to take the official Chinese language proficiency tests.

The Confucius Institute at UCC has organized a series of promotional Chinese language and cultural based activities, which has received positive feedback from local government and organisations. Major events and activities involving the UCC CI include:

- Co-hosting the 2009 Spring Festival Chinese Cultural experience with the Irish Chinese Contact Group. Approximately 130 Irish Chinese Contact Group (ICCG) families, all together five hundred parents and children celebrated Spring Festival and experienced Chinese language and culture together.
- Organized a Chinese language and culture experience for secondary and primary school students of Cork. Over two hundred students and teachers were invited to the Confucius Institute at UCC for a glimpse of Chinese Culture and language. This helped promote the teaching of Chinese language and culture in secondary and primary schools.
- Held the second “Chinese Bridge” language competition in Ireland, which was

also the preliminary competition in Ireland for the 8th Chinese Bridge Language Competition of Worldwide College Students being held in Changsha, China. UCC Student Kenneth

Brown won the opportunity to represent Ireland in the next stage of the competition.

- In summer 2009, the Institute organised a Summer Camp in China for Irish university students and 60 Irish students participated. This was the first programme of its kind to be co-ordinated out of UCC.

- Presented scholarships to enable 9 Irish university students to study either half or full year terms in Chinese universities. The scholarships were co-organized by the Confucius Institute to encourage further scholarly exchange between students of both countries and to further highlight interest in Chinese language and culture.

- Organized a pairing study party for the Chinese and foreign language learning students, who are currently studying in UCC in October 2009. The party stimulated communication between Chinese students and students of Chinese.

- Co-hosted the 60th Chinese National Day Anniversary Reception with UCC International Office. The reception attracted over four hundred people from UCC and from the general public.

- Co-hosted the Cork & Shanghai "Threads Through History" exhibition at Cork City Public Museum with Cork City Council in October 2009. The exhibition lasted for 7 weeks and attracted more than 1,000 visitors.

- Co-organized a public lecture on Acupuncture and Chinese Medicine on 20th January 2010. More than 70 people attended the lecture.

- Co-organized the 2010 Spring Festival Party in January 2010, attended by over 800 people at the City Hall in Cork City. The event presented to the Cork public an array of musical, theatrical and artistic presentations from Shanghai University Arts Troupe representing different multi-cultural facets of Chinese life. It brought together official representatives including the Lord Mayor of Cork Councillor Dara Murphy, the Ambassador of the Peoples Republic of China HE Mr. Liu Biwei and President of UCC Dr Michael Murphy.

*Promote multi-disciplinary research on contemporary issues in China and Greater China*

The IICS has become a significant centre of Chinese Studies in Europe. The Institute emphasizes its research plan and actively cooperates with other UCC departments and with universities in UK, Europe, China, Indonesia and other



Asian countries. During the past four years, the IICS held a series of high level academic communication activities concerning China and Asia. By inviting contributions from academics and researchers culminating with the Irish Asia Ambassadors Roundtable Forum in 2009, the Institute has grown in stature and has become a key organization at the centre of Chinese and Asian studies in Ireland.

Aimed at promoting research on China and its relationship with Ireland, Europe and the World, the IICS held its inaugural international conference, entitled "CHINA in the 21st Century: Culture, Politics, Business", in June 2007. Delegations from China, UK, South-East Asia, the US, and Europe participated in the event at UCC.

IICS's second annual international conference, The Rise of Asia and its Challenge for Europe, was held by UCC in November 2008. The aim of the conference was to bring academics from Asia and Europe together with representatives from Irish government and business. The Lord Mayor of Cork, Mr Brian Bermingham, UCC President, Dr Michael Murphy, Micheál Martin, TD, Minister for Foreign Affairs and Ambassadors from several Asian countries attended the conference.

Together with the International Journal of the History of Sport (IJHS), Routledge, the Asia-Europe Foundation (ASEF) and the UCC Confucius Institute, the IICS at UCC organised the international conference: "Post Beijing 2008: Geopolitics, Sport, Pacific Rim" in March 2009. Distinguished academics from over ten universities, including Cornell University, Pennsylvania State University in USA, UCC and Shanghai University China, presented and contributed to the conference on the following topics: The Relationships Between Sport and Politics; Influence on Sport with Development of the Society; and the Significance of the Beijing Olympics for the Geo-Political Future of the Pacific Rim.

A Roundtable Forum of the Asian Ambassadors was organised by the IICS in October 2009. Ambassadors of China, Japan, Korea, India, Iran and Malaysia presented upon invitation. Delegates from the Irish Ministry of Foreign Affairs, the president of UCC, and scholars and researchers from UCC also presented.

The IICS co-presented the third annual conference of the Asian Studies Ireland Association (ASIA), entitled The Transformation of Asia in a Changing Global Environment, with the Asian Studies Ireland Association in November 2009. The conference saw some 60 participants, including academics from Britain, France, USA, and China as well as teachers and students from UCC. The conference ran a

series of panel-based workshops and seminars, which focused on the impact of the global economic crisis on the Asian economies, the different responses of the various Asian governments to the crisis and the different perceptions of the crisis between European and Asian societies.

Besides the above academic conferences, the IICS also promoted multi-disciplinary research on contemporary China by carrying out scholar and student exchange programmes. The Institute has received 6 visiting scholars from the Chinese Service Centre for Scholarly Exchange, Ningxia provincial government, Yunnan University and South China Normal University since 2008. Since 2009, the Institute has actively taken part in the State-Sponsored Postgraduate Project of China for Advanced Universities, by receiving four PhD students from China People's University, Shanghai University, Suzhou University and Beijing Sport University.

#### *Assist UCC'S International Office*

The IICS at UCC and the International Office have supported each other to create an environment in which the traditional role of accepting students has been changed and where interconnected global culture is celebrated at UCC- a 21st century international university.

Reflecting now on the Government's 'Asian Strategy'

- *Marketing Education Services*- The IICS is providing ongoing support and adding to the attractiveness of UCC.
- *Establish an Irish Institute of Chinese Studies*- Done and ongoing.
- *Increase the number of College to College links*- Ongoing at several levels including student placement and research co-operation.
- *A scholarship scheme for top Asian graduates*- The IICS's PhD programme is already attracting graduates and the Institute will be pleased to play an active role in expanding post-graduate activity.
- *Promote Alumni associations and networks*- the IICS at UCC will enhance the value and sustainability of these networks by virtue of the cross-cultural relationships that our activities build.
- *A focused Placement Programme of Irish Graduates*- we carry this out at undergraduate level.
- *To advance proposals for an Institute of Asian Affairs*: UCC has already established its school of Asian Studies. In addition, as a platform of cross-cultural communication between China and Ireland and having received over 20 various

visiting delegations from China in 2009, the IICS at UCC has been functioning successfully as a bridge over cultures, and as a promoter of Sino-Irish communication in politics, economy, culture and education. The delegations are listed below:

- South China Normal University Delegation (March 2008)
- Shanghai Sport University Delegation (November 2008)
- Delegation of Shanghai Shanghai Municipal Transport Bureau (July 1st 2009)
- Shanghai Pudong Construction & Transport Committee (July 6th 2009)
- Shanghai Federation of Industry and Commerce (August 17th 2009) - Cork Chamber
- Shanghai Chamber of International Commerce (August 27th 2009) - Cork Chamber
- Shanghai Civil Affairs Bureau (September 21st & 22nd 2009)
- Shanghai Municipal People's Congress Standing Committee (October 12th 2009)
- Shanghai Women's Federation (October 15 & 16th 2009)
- Shanghai Xuhui District Government (October 19th 2009)
- Shanghai Minhang District Government (October 21st 2009)
- Shanghai Putuo District Government (November 2nd 2009)
- Shanghai Leadership Association (November 3rd 2009) - Cork Chamber
- Shanghai Zhabei District Government (November 5th 2009)
- China National People's Congress Delegation (November 14, 2009)

Overall, the process of building the Irish Institute of Chinese Studies at UCC has been an immensely rewarding one. It has clearly fuelled a demand for the subject and our students have a strong sense of mission that they are preparing to pathfind for Ireland in the changing economic and political landscapes of the 21st Century.



*The Future of Education in a Strategy for Asia*

The present Strategy is clear on the basic educational tools for developing Ireland's capacities and on the opportunities to do business with Asia. It acknowledges both the immediate commercial educational opportunities and also the longer term importance of relationships. It has focused on developing business volumes, relationships and institutions.

The globalization of economy, cultural, political and intellectual institutions is a

major force for change in education. In an era of globalization and with the rise of Asia, the world is moving towards the challenge and opportunity of the East. Education moves there too. Asian studies, especially Chinese studies, are becoming more and more popular around the globe. In the higher education sector, almost all the leading universities in America, Europe, Asia, Oceania and Africa have established their centres for Chinese Studies. The rising demand for Chinese language and culture teachings has been receptive to hundreds of Confucius Institutes. The first Confucius Institute was established by Hanban in South Korea in November 2004. By March 2009, a total of 256 Confucius Institutes and 58 Confucius Classrooms had been established in 81 countries around the world.

Chinese language teaching is also flourishing in Primary and Secondary education sectors in the West. In England in 2007 more than 10% of secondary schools were teaching Mandarin at some level and 1,827 children sat Mandarin Chinese at General Certificate of Secondary Education (GCSE) level in 2006. In addition 3,034 adults sat the GCSE examination and 392 students were admitted to Chinese undergraduate programmes. Meanwhile, the UK's "Specialist Schools and Academies Trust" has signed an agreement with Hanban, the executive body of the Chinese Language Council International, to promote Mandarin in UK Schools.

England is an example of the context in which Ireland Inc must compete for future market share in China. To continue to proactively respond to Chinese opportunities, Irish efforts in Chinese education must be redoubled by formally promoting Chinese language and culture in the curriculum of secondary schools in Ireland and should be included in the "Language Initiative" programme.

The 2004 review concluded that the most important indicator of success at the end of 2009 will be the extent to which Ireland has further developed its export trade with the priority Asian countries. However, the business levels and relationships envisaged by the strategy will increasingly be sustained and developed by new generations. Therefore, in the years to come, Ireland should aim also to judge the success of the Strategy by measuring the number of its citizens that it has educated for these endeavours.

The recently formed Asia Studies Ireland Association is a positive move in promotion of Asian Studies in Ireland. The Asia Strategy intimated the creation of the Irish Institute of Asian Affairs. However, the experience in UCC shows the

natural progression from Chinese Studies to Asian Studies. In practice this work is already underway. The UCC school of Asian Studies offers the opportunity to the Government in this regard. It will work with relevant parties to consolidate its educational, research and outreach programmes. It will continue to work with its various partners including the Asian embassies in Ireland; the Confucius Institutes in Asia; and partners in China and other Asian countries to promote education and cultural exchange between Ireland, China and Asia. It will continue in its endeavours to play the educational role envisaged in Ireland's Asia Strategy and will do its part to ensure that Ireland is globally competitive in terms of its ability to deal with China and Asia.

## NOTES

**[i]** Abel Ugba, 'Active Civic participation of Immigrants in Ireland', Country Report prepared for the European research project Politics, Ildenbug 2005.

**[ii]** International Education Board Ireland, 'International Students in Higher Education in Ireland 2004'. July 2004.

**[iii]** 'Has Ireland dropped the ball on attracting international students?' *The Irish Times* - Tuesday, January 26, 2010.

### *About the Author:*

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She is academic editor of *The International Journal of the History of Sport* published by Routledge which is included in the Social Science Citation Index. She is editor of the book series *Asian Studies - Within and Without* published by [EHV](#). She is also a member of various editorial boards including Sport, Policy and Politics and the International Encyclopaedia of Women and Sport. She was the member of the Education Commission of the World Anti-Doping Agency (WADA) between 2001-2003.

Her main research interests are in the areas of culture, politics, gender and sport and she has published more than 20 books and 60 journal articles in these areas.

*See also:* <http://www.confuciusinstitute.uwa.edu.au/>

*Previously published in:* Fan Hong, Jörn-Carsten Gottwald (Eds.) - The Irish Asia Strategy and Its China Relations 1999-2009. Amsterdam, 2010.