

**Submission to the China FTA Study Taskforce on the  
Australia-China Joint Free Trade Agreement  
Feasibility Study**

**Australia Tibet Council**

**June 2004**

Prepared by Liam Phelan, Paul Bourke, Richard Boele  
Australia Tibet Council  
P.O. Box 704  
DARLINGHURST NSW 1300

## **Introduction**

Australia Tibet Council (ATC) welcomes the opportunity to comment on this important Australia -China Joint Free Trade Agreement Feasibility Study. ATC notes that the study will be as ambitious and as comprehensive as possible. This submission recommends issues that should be included in Australia's priorities for the study. These recommendations are made towards ensuring that the rights and livelihoods of Tibetan people in Tibet are supported and not compromised through the scope, conduct or outcomes of the feasibility study or by any future Australia-China Free Trade Agreement.

The Australia Tibet Council (ATC) is an independent, non-profit national organisation with branches in every state and a National Office in Sydney. ATC works to achieve the United Nations resolution 1723 of 1961 calling for “the cessation of practices which deprive the Tibetan people of their fundamental human rights and freedoms, including their right to self-determination”. ATC believes that the peaceful resolution of the Tibet/China conflict through non-violence would be a significant step towards peace.

ATC liaises closely with the Tibetan Government-in-Exile located in Dharamsala, and is part of an international network of Tibet support groups speaking out for Tibet. Australia Tibet Council is a non-government organisation (NGO), funded solely by members and supporters.

## **Tibet-China relations**

The Australia -China Joint FTA Feasibility Study comes at a critical time in China-Tibet relations. More than an estimated one million Tibetans have lost their lives during and since the Chinese invasion and occupation of Tibet in 1949-50. In the past two years, the Chinese leadership has accepted delegations from the Dalai Lama, to Beijing twice and also to Lhasa, the capital of Tibet. This new dialogue follows many years without official contact between Tibetans and Chinese and is cause for hope that a peaceful resolution to the Tibet situation can be negotiated by the two sides. The Dalai Lama since the nineteen eighties has advocated clearly for true autonomy for Tibet within a China framework. Hong Kong provides a model of sorts for this proposal.

In this context ATC recommends that the Joint Feasibility Study be conducted in a way that supports that process towards peace. Under no circumstances should the study undermine that process, through the framing of its scope or through its conduct. With this in mind, following are several key issues and questions for the China FTA Taskforce within the Department of Foreign Affairs, Defence and Trade, towards informing the study:

## **The Tibetan Government in Exile's Development Guidelines**

The Tibetan Government-in-Exile (TGIE), representative of Tibetans inside and outside of Tibet has its seat in Dharamsala in northern India. The TGIE has recently

released Development Guidelines<sup>1</sup> to apply to all of Tibet – the traditional three provinces of Amdo, Kham and U Tsang now incorporated into the Tibetan Autonomous Region and Tibetan Autonomous Prefectures in the adjoining provinces of Qinghai, Sichuan, Yunnan and Gansu. The Guidelines make specific reference to large-scale infrastructure projects and extractive industries, such as mining. This is of particular interest given that analysis provided by DFAT indicates that mineral exploration is a focus of Australian investment in China.

The feasibility study should consider:

- a. How will the scope, conduct and outcomes of the study ensure that an ensuing FTA will be consistent with, strengthening of, and not counter to the Development Guidelines of the Tibetan Government-in-Exile?
- b. What are the risks to the inward Australian mining investment into Tibetan areas if the question of Chinese-Tibetan conflict is not resolved (especially in the context of Australia's recent experience of occupation and resource rights in the Timor Gap)

### The Western Development Plan

In 1999 then President Jiang Zemin launched the Western Development Plan (xibu da kaifa). The plan calls for building 32,000 kms of new roads, 4,000 kms of new railways and a host of dams, factories, mining facilities, power plants and oil and gas pipelines in China's western provinces, including Tibet. The plan's aims are ambitious: bringing "development" and "prosperity" as well as "national unity" to the seriously undeveloped western regions of China which make up three-fifths of China's territory yet where the GDP per capita is only half the national average.

China attracts more foreign direct investment than any other developing country. Only 7 per cent of these funds are currently invested in China's west, a situation Beijing plans to change with the Western Development Plan. The Western Development Plan provides investors with perks such as operating tax free for two years, up to six years of 50 per cent off tax rates, custom exemptions for imports, local tax waivers and reductions in royalties.

The Western Development Plan has overtly political aims. Jiang Zemin said in September 2000, the plan aims to "stabilize local society and contribute to China's unity." The Minister of the State Nationality Affairs Commission, Li Dezhu, echoed this, explaining that development of the west is of "extremely high importance in solving China's current nationality problem." The 'problem' is the Uighur and Tibetan people's calls for self-determination. The underlying political motivation for a major infrastructure project currently under construction, the Gormo-Lhasa railway which will run into the heart of Tibet, is highlighted by Jiang Zemin's comment in the New York Times on August 10, 2001. "Some people advised me not to go ahead with this project because it is not commercially viable. I said this is a political decision."

---

<sup>1</sup> Tibetan Government in Exile, (2004), *Guidelines for International Development Projects and Sustainable Development in Tibet*, Department of Information and International Relations, Dharamsala, India. Accessible online at <<http://www.tibet.net/diir/eng/enviro/guide/>>.

Tibetans believe the Western Development Plan will further Chinese colonial control over Tibet by building infrastructure and facilitating the migration of ethnic Chinese. There is little or no evidence that such centralized development models bring prosperity to the people of the regions they affect and it is clear that the minerals will be used to feed the industries of the east.

The feasibility study should consider:

- a. How the FTA might strengthen Chinese control of Tibetan areas through the Western Development Plan and provide an alternative to negotiated peaceful solution to the Chinese-Tibetan conflict.
- b. How an FTA might impact on moves towards autonomy within China for Tibet.
- c. How compliance by China with international human rights, labour and environment standards might be affected by a Free Trade Agreement.
- d. How Australia and China might ensure compliance with human rights, labour and environmental standards by investors, including effective monitoring mechanisms.

### Consultation of Tibetans

The World Bank experience in Tibet indicates that consultation with Tibetans in Tibet is not possible. The reality is that Tibet remains an occupied territory and it is this context that leaves best intentions wanting. In 2000 World Bank involvement in a transmigration project was terminated after a review of the project by the Bank's quasi-independent Inspection Panel. The Panel field visit to the project site rendered "disturbing and dramatic examples of what can only be described as a climate of fear" and concluded effectively that consultation is not possible in Tibet since "full and informed consultation is impossible if those consulted even perceive that they could be adversely affected for expressing their opposition to, or honest opinions about, a... project".

The feasibility study should consider:

- a. How will transparent, accountable and representative community consultation processes on the FTA be established, in China, for people that will be subject to an FTA, particularly Tibetans and other non-Han Chinese populations?

### Consultation with Australian civil society

- a. The study should ensure adequate and timely consultation with Australian civil society, particularly amongst groups with an interest in China, trade and investment, social justice, human rights and environment matters.

## **Sources**

### **Tibetan Government in Exile's Development Guidelines for Tibet**

Tibetan Government in Exile, (2004), *Guidelines for International Development Projects and Sustainable Development in Tibet*, Department of Information and International Relations, Dharamsala, India. Accessible online at <<http://www.tibet.net/diir/eng/enviro/guide/>>.

### **Sino Gold Report**

Felicity Wade, (2003), *Who Owns Tibet's Gold?*, Australia Tibet Council, Sydney. Accessible online at <[http://www.atc.org.au/campaigns/sino\\_report.html](http://www.atc.org.au/campaigns/sino_report.html)>.