

Human Rights and Rule of Law in China

Oral Statement

**Deputy Secretary of Labor Steven J. Law
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Thank you, Mr. Chairman. We often ask the question, about human rights in China and almost any other subject, "Is the glass half full or half empty?" Someone once answered the question by saying, "Well, it depends on how thirsty you are."

When we try to assess progress on human rights in China, there are often two views. Among those in the West who are eager to do business in China, the glass appears half full. But to those in China, who are thirsting for freedom of speech, religion and assembly, who are thirsting for the protection of an impartial rule of law, the glass remains half empty - and appears at times to be slowly evaporating.

The annual report we are issuing today gives due credence to both perspectives, and I want to thank the staff of the Congressional-Executive Commission on China for all the hard work that went into it. This report notes the progress that China is undeniably making on certain human rights issues, but it also highlights the disconcerting slippage that has occurred in recent months with respect to political freedoms.

What is important to discern in all this is not individual anecdotes, but meaningful trends. And one of the most significant trends, in my view, is the growing intersection and overlap of fundamental human rights issues and larger economic interests.

We see this vividly in the area where the U.S. Department of Labor is most engaged: labor rights. Increasingly, China's ability to institute wage protections, health and safety standards and pension rights will be a key determinant in achieving both economic and social stability. The Chinese government knows this, and has been forward-leaning in seeking technical assistance from the U.S. Department of Labor, and pursuing labor law reforms that can help quell growing unrest over labor conditions in China.

Another example of this trend is the looming cloud of government infringement upon freedom of speech, internet access and content, and transparency of economic information. As freedom begets freedom, repression begets repression. China's curbs on political dissent have slowly but surely metastasized to constrict the free flow of information on the internet and unfettered economic reporting.

Such restrictions not only impinge upon individual liberties, they also impede the effective functioning of China's own economy - by choking the creativity, collaboration and transparency that are the lifeblood of sustained, healthy economic growth. In the short term, China's dualistic policy of increasing economic freedom on the one hand, and continued political suppression on the other, has resulted in rapid growth and wealth creation. It has also produced economic dislocations, wealth disparity, worker unrest, corruption, and other significant problems that will only worsen if they are ignored or covered up.

Today, it seems that free markets and unfree politics can "peacefully coexist" in China. In the long run, however, they cannot. Individual liberty provides a channel for social discontents to be expressed, and redressed, while maintaining stability. Moreover, it is an illusion to believe that repression can be neatly focused only on private, political or religious activity. As we are seeing more and more, the Chinese government's impulse to suppress bad news has moved beyond the political sphere and is spreading to the worlds of economic and legal reporting. This should be of immense concern, not only to human rights advocates, but to anyone who has an interest in the future of the Chinese economy. Any economy that

does not have reasonably transparent economic information and relatively open legal systems simply will not be able to thrive forever. Economic hiccups will be magnified, government interventions will be disproportionate, and public confidence will collapse - taking with it large quantities of foreign investment capital.

We raise these concerns and issue this report, not as a scold to China, nor to claim moral superiority, nor to disparage China's commitment to achieving continued progress on all of these fronts. But as these issues of human rights and economic growth converge, China will increasingly discover that freedom is not divisible; the rule of law - and not repression - is the best guarantor of prosperity and stability; and those who currently see the glass as half full will have the same perspective as those who see it as half empty.

Thank you.