

Posted on Mon, Nov. 14, 2005

GLOBAL POLITICS

Bush can expect more challenges on trip to Asia

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After his rough ride in Latin America, President Bush's weeklong swing through Northeast Asia this week should feel and look like smooth sailing.

Anti-American demonstrators will be hard to find. Instead of an encounter with a rude Hugo Chávez, Bush will meet politeness, even warmth, from Asian leaders in countries such as Japan and Mongolia. At the annual Asia Pacific Economic Cooperation summit later in the week in South Korea, no voices will be raised against the virtues of free trade.

Beneath the polite surface, however, there is no less a challenge in Asia to the United States' claim to global leadership. In every direction, there are reminders of the limits of U.S. power. And there is little evidence that the Bush administration has any clearer policy in Asia than in Latin America.

The most visible sign of Washington's wane will take place next month at an East Asian summit meeting to take place in Malaysia. The gathering groups the 10-member Association of Southeast Asian Nations, Japan, China, South Korea, India, Australia and New Zealand. Pointedly *not* invited -- the United States.

China sees this as the first step toward creating an East Asian Community, a regional economic system that would bind all the countries even more closely to one another and to China. In July, an ASEAN-China Free Trade Area came into existence. In Beijing there are dreams of an Asian currency, based on the Chinese yuan, to rival the dollar and the euro.

Asian community

This group of nations represents the largest potential single market in the world. While East Asia still looks to the United States as its principal market, trade within the region is rapidly growing. China now outstrips the United States, for example, as South Korea's No. 1 trading partner.

The Japanese will challenge a Chinese-dominated bloc, but they also fear being left outside any emerging group. They have entertained their own dreams of leading an East Asian economic bloc in the past. Back in the 1980s, Japanese leaders talked of forming a yen zone.

After the Asian financial crisis in 1997, Japan proposed the creation of an Asian Monetary Fund, a kind of alternate regional financial system. And Japanese Prime Minister Junichiro Koizumi offered his own vision of an East Asian Community more than four years ago.

The drive for an Asian community was given a boost when the United States failed to respond to the 1997 crisis, says Edward Lincoln of the Council on Foreign Relations. The United States tried to ram certain economic changes down Asian throats, he says, while blocking alternatives such as the Asian Monetary Fund.

The United States argues such moves to create separate regional agreements undercut the global trading system. But Asia is only following in American footsteps -- witness the NAFTA deal with Canada and Mexico.

The Bush administration also pays lip service to promoting the global trade system. But it has neglected the World Trade Organization in favor of signing free-trade deals with individual countries or the recent pact with a group of Central American nations.

Now some in Washington suggest that the United States counter the Chinese-led community with its own East Asian zone, formed around Japan, South Korea and Australia.

"That's a nonstarter," says Vinod Aggarwal, director of Berkeley's APEC study center. "Nobody wants to be cut out of the China market."

Everyone is now playing the same game of forming bilateral trade pacts, deals that keep protecting sensitive industries and set barriers to really free trade in agricultural products such as rice, sugar or cotton. The net effect of the bilateral and regional deals undermines the coalition for free trade, argues Aggarwal.

The United States -- going back several administrations -- has failed to offer a clear and consistent vision in Asia of economic integration. Unfortunately, the Chinese and others are now more than ready to fill that vacuum.

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World

Talks on trade get boost

The Miami Herald

BUSAN, South Korea - Senior officials from 21 Asian and Pacific economies agreed Sunday that their leaders must issue a "powerful statement" at their annual summit to try to save stalled global trade talks from collapse, and also to intensify measures to fight other threats, such as terrorism and a possible flu pandemic.

The officials met for a second day amid heavy security in this port city to prepare the agenda for the annual summit of leaders from the Asia-Pacific Economic Cooperation forum, including President Bush, China's Hu Jintao, Russia's Vladimir Putin and Japan's Junichiro Koizumi.

Anti-globalization protesters on Sunday launched the first of what organizers said would be a series of big rallies opposing the summit, drawing about 18,000 placard-waving demonstrators into streets of the capital, Seoul. The protest ended peacefully.

Of greatest concern to the leaders of APEC, which includes seven of the world's 13 largest economies but also many poorer ones, is the potential for a current stalemate over agricultural subsidies and other issues within the World Trade Organization to go unresolved ahead of its ministerial meeting next month in Hong Kong.

"It is important for them to deliver a strong political message," Kim Jong-hoon, South Korea's senior official and chairman of the meeting, told reporters. "It's very important that they seek a breakthrough in this current deadlocked situation."