

APEC: mass protests and political tension in South Korea

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Angry protestors clashed with police outside the 21-nation Asia Pacific Economic Cooperation (APEC) meeting held in the South Korean port city of Busan last weekend. Like protests against Bush's recent visit to Latin America, the demonstrations of South Korean workers and farmers expressed widespread hostility to the global capitalist order and Washington's criminal war in Iraq.

The protests began a week before the APEC meeting. On November 13, 18,000 people protested outside the US embassy in Seoul against US President Bush's visit and to call for a fair treatment of South Korea's growing number of low-pay temporary workers.

At the same time, a 38-year-old farmer, Chung Yong-pum, committed suicide by drinking herbicide in protest against Seoul's agreement with the US and China to double rice imports by 2014. His suicide note read: "The government should set realistic agricultural policies so that farmers can live well." On November 15, 12,000 angry farmers clashed with police in Seoul over the issue.

O Jong-Ryul, a leader of the People's Action against APEC, an umbrella organisation of 80 groups, including trade unions, farmers' associations and other bodies, told AFP: "APEC is playing the vanguard role of spreading new liberalism in trade, which makes the rich richer and the poor poorer." The group denounced Bush as a "war criminal" and distributed leaflets calling for workers to protest against his visit.

South Korean authorities deployed 46,000 police and plainclothes agents to maintain security and keep protestors outside a 1.5-kilometre perimeter around the meeting venues. Seoul also blacklisted 1,000 foreigners for participating in the rallies. Many protestors travelling by bus from all over the country were stopped by police before they could enter Busan.

Despite these measures, at least 20,000 people turned up in Busan on November 18. A group of 4,000

demonstrators were stopped at a road blockade of shipping containers established by police near the convention centre where APEC summit was being held. Chanting slogans such as "No APEC, No Bush" and "Terrorist Bush go home", they used a rope to dislodge the containers and break through the barrier. South Korean police used water cannons to disperse the demonstration as around 300 protestors threw rocks and fought back with bamboo sticks or steel bars.

Another group of 3,000 farmers, some dressed in traditional white funeral clothes, held a memorial ceremony for one of two farmers who committed suicide. Lee Byung-kwan, a 72-year-old farmer from Jinju, told CNN: "The government is trying to kill the farmers. If we open the rice market, all farmers are going to die." Holding signs that read "Get rid of APEC" and "Let's get Bush", they blocked a traffic intersection and were surrounded by police. Protests continued the next day with at least 20 people injured.

The *Korea Times* reported: "Other than street rallies, organisations have been aggressively leading protests through cultural means, such as Internet broadcastings, film festivals, art performances and open forums at various places in Busan."

South Korean authorities, desperate to use the APEC meeting to advertise the country and attract more foreign investment, accused the protestors of damaging the country's image "as the world's 11th largest economy" and failing to see the "profit and invisible benefits".

Far from "benefitting" the working people, demands for market "reform" and the further opening up of South Korea to foreign investors following the 1997-98 Asian financial crisis have devastated social conditions. South Korea has one of the highest rates of temporary or irregular employees of OECD countries—5.48 million or 36.6 percent of the total workforce. Bea Kiu-sik, a researcher at Korea Labour Institute, told the *Financial*

Times that South Korean workers were being “squeezed between high-tech Japan and low-cost China.”

While the protests continued outside, the APEC meeting itself revealed growing tensions over international trade. Established 16 years ago to promote free trade in the region, APEC is becoming increasingly irrelevant as multilateral agreements are being replaced by bilateral deals.

The main topic on the APEC agenda was how to advance the World Trade Organisation’s Doha Round of negotiations at a ministerial conference in Hong Kong next month.

The trade negotiations have been stalled for years and the Hong Kong meeting is seen as the last chance to get them started again. The main issues centre on demands for an end to agricultural export subsidies by developed countries and the cutting of industrial tariffs in major “emerging markets”.

Last month the US called for a 50 percent cut in domestic farming subsidies and an end to farm export subsidies by 2010. But the European Union (EU), especially France, has been reluctant to open up its agricultural sector.

The US, Canada and Australia tried to persuade APEC leaders to press the EU for a more cooperative approach at the Hong Kong meeting. Most APEC leaders, however, refused to specifically blame the EU for the deadlock with the official statement only declaring that a “successful conclusion of the Doha round is crucial for the future credibility of the WTO and the rules-based multilateral trading system.”

However, before the APEC statement was released, EU trade commissioner Peter Mendelson said that the EU would have nothing new to offer in Hong Kong.

Edward Graham, from the Washington-based Institute for International Economics, told reporters in Busan: “There is significant risk of a complete failure. I hope the Europeans will have an offer to give at Hong Kong that is at least satisfactory enough to keep a complete collapse from happening.”

Rather than lessen, trade tensions could intensify following the Hong Kong meeting. While Japan is a close political ally of the US, it has sided with the EU on agricultural subsidies which have formed a crucial base of political support for every Japanese government. A Japanese official, who declined to be named, told AFP: “But APEC is APEC. WTO is WTO. Of course we will follow what APEC leaders promised over the issue. But we are still willing to join hands with the EU on a

necessary basis during the WTO meeting in Hong Kong next month.”

Without agreement from Europe and Japan on agriculture, developing countries like China, India and Brazil are unlikely to agree to further tariff cuts on imported manufactured goods and services as demanded by the US.

Bush has pressed Chinese President Hu Jintao to increase the value of yuan against the dollar in order to reduce the huge American trade deficit with China, now approaching \$200 billion this year. Earlier this year, the US Congress threatened to impose a 27.5 percent tariff on Chinese exports as a penalty if the yuan were not revalued—a threat that remains in spite of the 2.1 percent revaluation in July.

Hu rejected this call on the basis that China had a \$127 billion trade deficit with the Asian Pacific region. China is functioning as the region’s manufacturing-export centre to Western markets, principally the US, while other Asian Pacific countries, including Australia, supply China with components and raw materials.

Last year China signed free trade agreements with the Association of South East Asian Nations (ASEAN) and is now becoming the largest export market for these economies. At the same time, in order to sustain the US export market, Asian central banks, especially those of China and Japan, have been pouring money into US financial markets and now hold about \$1 trillion of foreign currency reserves, mostly dollar-based assets. This growth in financial power has raised the prospect of an Asian trade bloc that could potentially undercut the US influence.

Last September Charlene Barshefsky, a former trade representative in the Clinton administration, warned that China was “rapidly creating an informal ‘Asian Union’—a deeply integrated Asian economy” and that regardless of the outcome of the Doha Round “ambitious agreements should be negotiated with the major ASEAN countries, South Korea and Japan” by the US.

APEC governments have already negotiated more than 50 bilateral and regional deals so far, almost one third of the global total—a further symptom of the breakdown of the multilateral trading system.



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