

East Asian Summit plagued by tension and rivalry

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The first East Asian Summit (EAS) held in the Malaysian capital of Kuala Lumpur on December 14 left a big question mark over whether the project for an “East Asian Community” will even get off the ground.

The EAS meeting is an extension of the ASEAN+3 grouping—the 10-nation Association of Southeast Asian Nations plus Japan, China and South Korea—established following the Asian financial crisis of 1997-98. The aim was to move towards an Asian trade bloc against the US and Europe, but sharp tensions between the two major economic powers in the region—China and Japan—effectively stalled the process at the first meeting.

For the first time since the end of World War II, the dominant Asian Pacific power, the United States, was not even asked to participate in what was billed as a major regional forum. Australia, New Zealand and India were only invited after sharp divisions within ASEAN over who should attend. Russia was present only as an observer.

The EAS was the last of three consecutive gatherings held in Kuala Lumpur in the same week—following the ASEAN summit and then the ASEAN+3 summit. The relative importance of the three summits can be gauged by their respective communiqués. ASEAN was declared to be the region’s “driving force” and ASEAN+3 the “main vehicle” for regional integration, but EAS was simply described as “a forum for dialogue” on broad issues of “common interest and concern”.

The EAS will convene regularly and be chaired by an ASEAN member state. While the situation could change, it appears highly likely that EAS will be relegated to be another ineffectual talk shop, alongside the existing Asia Pacific Economic Co-operation (APEC) group. The “main vehicle” for economic cooperation will continue to be ASEAN+3, which excludes the US as well as Australia, New Zealand and India.

Former Malaysian Prime Minister Mahathir Mohamad first advanced the idea of an “East Asian caucus without Caucasians” in early 1990s to counter the rise of European and North American trade blocs. The plan, largely reflecting

the interests of Japan, was effectively stymied by the US, with the assistance of Australia, by the formation of an all-inclusive and therefore ineffective APEC.

Over a decade later, a regional forum without the US present has finally taken place. But relations in East Asia have profoundly altered with the emergence of China as a major factor in global economy. As a result, the EAS proposal has been plagued from the outset by rivalry between China and Japan, as well as the vexed question of the relationship of such a bloc to the US—the key export market and dominant military power.

In a speech prior to the EAS summit on his “Asian Strategy”, Japanese Foreign Minister Taro Aso made a bid for the leading role, declaring Japan’s ambition to be “a thought leader” in Asia. He emphasised the importance of the US-Japan alliance, saying Japan was “a stabiliser, whose readiness enables it to provide security, the cornerstone for Asian prosperity, in the areas of both economic and regional security.”

China’s Prime Minister Wen Jiabao responded by refusing to even attend the annual three-way meeting with Japan and South Korea on the eve of the ASEAN+3 summit. The diplomatic snub was nominally to protest the recent visit by Japanese Prime Minister Junichiro Koizumi to the Yasukuni shrine, but it reflected deeper tensions between the two countries.

Commenting on the rivalry, Malaysian Prime Minister Abdullah Ahmad Badawi publicly warned: “We are concerned about the developing dichotomy in Japanese-Chinese relations, which we considered one of the main pillars of East Asian cooperation.”

The formation of an East Asian community is often compared with the European Union (EU). The EU, however, developed out of a post-war rapprochement between France and Germany, encouraged by the US and under its hegemony, that came to embrace other European countries. Following the end of the Cold War, there are growing tensions both within Europe and with the US.

There is no parallel in East Asia. China and Japan were

rivals during the Cold War, even after the US established relations with Beijing in the early 1970s. Japan played a key role in fostering the so-called Asian Tigers and the economic dynamism of the region. Now, however, Tokyo has to confront the fact that China with its vast reserves of cheap labour has become crucial to the functioning of the Japanese and global economy.

With the backing of Washington, Tokyo is seeking to reestablish itself as a major military power and to put its stamp on Asia. China, on the other hand, is also seeking to use its economic clout to enhance its security and stake out a greater political and strategic role in the region. The two countries are already at loggerheads over the control of key small islands, and therefore oil and gas reserves, in the East China Sea.

The governments in both countries are stirring up nationalist sentiment against each other. Koizumi has been particularly brazen in his efforts to revive Japanese militarism, giving approval to school texts that falsify Japan's wartime atrocities and visiting the Yasakuni shrine. Beijing has responded by encouraging Chinese patriotism that led to racist attacks on Japanese in China.

Summing up the prospects for an East Asian bloc, the *Financial Times* editorial on December 14 declared: "Unlike France and Germany at the heart of the European Union, China and Japan have not managed to put the Second World War behind them or create a community where political collaboration can reflect their economic interdependence. Until they do, the US will have little fear from Mahathir's dreams of Asian unity. Nor will Asians have anything resembling a community of which they can be proud."

Last year China proposed holding the EAS summit in Beijing but the plan was effectively vetoed by Japan's strong opposition. Beijing has been a strong supporter of Malaysia's plan to keep the EAS largely confined to the ASEAN+3 bloc, in which China wields considerable economic clout. Japan, on the other hand, has sought to expand the EAS to include, if not the US, then its supporters—Australia, India and New Zealand.

An editorial in Japan's *Yomiuri Shimbun* on December 4 commented: "China is now placing more emphasis on the ASEAN plus Three meeting because it considers it will be possible to marginalise Japan there by asserting its economic power over ASEAN members and forming a united front with South Korea over the history issue." South Korea, like China, has protested against distorted Japanese history texts.

Japan made a pitch to ASEAN members with a donation of \$70 million and a pledge of \$135 million to help fight the danger of bird flu. Japan also promised to help finance infrastructure in Laos, Myanmar and Vietnam, three of the most economically backward countries in the grouping.

Tokyo's efforts to marginalise China clearly have Washington's backing. The *Washington Post* commented on December 14 that the inclusion of Australia, New Zealand and India in the EAS showed "there was plenty of weight to balance Chinese influence and, particularly through Australia, a ready channel for US concerns." But the presence of US allies has only compounded the problems in forming a viable bloc.

Australia, which is heavily dependent on exports to North East Asia particularly to China, lobbied hard for a seat at EAS. Canberra was compelled to back down on its earlier refusal to sign ASEAN's Treaty of Amity and Cooperation, which Prime Minister John Howard described as an irrelevant relic of the past.

Having gained a place at the table, however, Australia immediately confronted further obstacles, in part because the Howard government is widely regarded as a lackey of the Bush administration. Malaysian Prime Minister Badawi bluntly declared at the close of the meeting that Australia and New Zealand were not really "East Asians".

India received a slightly warmer response by Badawi, who commented, "[A]lthough not really East Asian, [India] is our immediate neighbour." Last month New Delhi supported the admission of both Japan and China as associate members of the South Asian Association for Region Cooperation (SAARC). India is pushing for closer economic ties with ASEAN, but a bilateral trade deal has yet to be agreed.

While Australia and New Zealand received the cold shoulder, the EAS declared Russia to be a candidate member and Russian President Vladimir Putin was invited to a special session. Both China and Japan have their eye on Russia as a major source of oil and gas. The Russian energy ministry forecast last month that by 2020, 30 percent of Russia's oil exports would go to Asia, compared with the present 3 percent.

If one decodes the diplomatic language, Malaysia's push, backed by China, for a narrower grouping seems to have prevailed. Expressing his disappointment at the lack of any significant role for the EAS, Koizumi declared: "The unity of the participants will be more solid if we make our meetings a framework for real cooperation, not just a place for dialogue."

At this stage, however, the whole EAS project appears to be stillborn, with tension and rivalry between the major powers being far more evident than any cooperation.



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