

North Asian summit: an empty show of unity

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The leaders of China, Japan and South Korea will meet today for their first-ever joint summit. While the meeting is billed as a show of Asian unity in the face of the deepening global economic crisis, the longstanding animosities and tensions that blocked collaboration in the past are not far below the surface.

The gathering was hastily put together late last month to deal with South Korea's acute financial crisis. Currency swap arrangements to help stabilise the South Korean won and the country's banking system, as well as a broader currency plan for Asia as a whole, are expected to be the only likely concrete outcomes.

There will be no huge entourages or grand gestures at the one-day event in the Japanese city of Fukuoka. According to the *Financial Times*, Japanese Prime Minister Taro Aso, Chinese Premier Wen Jiabao and South Korean President Lee Myung-bak will have "a chance to bond during a banquet at which they and a senior official from each nation will be the only diners".

Each of the leaders is confronting deepening economic turmoil at home that is already fuelling political tensions. All of them are still struggling to understand the extent of the economic crisis, let alone offer any solutions. The three economies are heavily dependent on exports and have been badly battered by the rapid international slowdown, particularly in the US and Europe.

Prime Minister Aso took office in September with plans for an aggressive stimulus package to boost the government's standing and pave the way for early elections. However, all these economic plans have fallen flat and Japan officially entered into recession last month. The latest data published on Tuesday

showed an even larger third quarter contraction—an annualised 1.8 percent—than previously announced. As the economy has slumped, so have Aso's poll ratings. Plans for an early poll have been put on hold.

In South Korea, the right-wing President Lee won office last December by exploiting widespread discontent over economic uncertainties. His campaign was based on a grandiose "747" plan—7 percent annual growth, per capita income of \$40,000 and transforming South Korea into the world's 7th largest economy. Not surprisingly, Lee now faces bitter opposition because economic growth has dived and the gulf between rich and poor has further widened. The Bank of Korea yesterday forecast a contraction of 1.6 percent for the fourth quarter and a growth rate of just 2 percent in 2009.

Chinese Premier Wen can take little consolation from his country's third quarter annualised growth figure of 9 percent. The economy has been slowing sharply from 11.9 percent last year. Beijing this week announced the first decline in exports in seven years and growth forecasts for 2009 range from 8 percent on down. Goldman Sachs this week predicted a low of 4.7 percent in the second quarter of next year, but the extent of the crisis and its impact on jobs is unknown. Wen and his fellow bureaucrats fear that a huge leap in unemployment will heighten social tensions and undermine the police-state apparatus on which the regime rests.

Geography would suggest that the three powers should have met a long time ago. History explains why today's summit is the first. The show of unity belies the fact that there are deep-seated rivalries, particularly between Japan and China. The governments of all three countries have no hesitation in whipping up nationalism and chauvinism to divert attention from their incapacity

to address the basic social demands of working people. Tokyo's refusal to acknowledge its war crimes in East Asia in the 1930s is seized upon in Beijing and Seoul to stir up anti-Japanese sentiment. Relations between China and Japan were at a complete standstill just two years ago as Beijing blocked high-level talks in protest over Japanese Prime Minister Junichiro Koizumi's public visits to the notorious Yasukuni war shrine.

What is now bringing the three leaders together are concerns that the Asian powers have no mechanism for prosecuting their interests against their global rivals. Unlike the establishment of the European Union or even the North American trade bloc, attempts over the past two decades to create an Asian economic union have floundered time and again. The three countries have previously met only on the sidelines of Association of South East Asian Nations (ASEAN) meetings.

There is no reason to believe that the latest attempt at unity will be any more successful than previous ones. On the eve of the summit, tensions flared between Tokyo and Beijing over disputed islands in the East China Sea—known as Senkaku in Japan and Diaoyu in China. Japan issued a formal protest over the "intrusion" of Chinese survey ships into the area. In July, angry exchanges took place between Tokyo and Seoul over contested islands between their two countries. As well as a convenient pretext for nationalist drum-beating, these disputes involve broader rivalry over fishing and mineral resources as well as strategic position.

The talks today are also due to discuss North Korea's nuclear program. The three countries are part of the six-party talks that broke down in Beijing this week after North Korea refused to agree to US demands for a system to verify its dismantling of nuclear programs. However, while South Korea and China have both been seeking to push ahead with an agreement reached in 2007, Japan has pressed the US to take a tougher stance against Pyongyang. Behind the wrangling over North Korea is broader rivalry over which power will predominate in North East Asia.

Given the bitter economic disputes that have emerged

within the European Union this week, it is hardly a surprise that the prospects for the Fukuoka summit look bleak. Far from bringing the major powers together, the global economic crisis is opening up old wounds and exacerbating existing ones around the world as the capitalist class in each country seeks to expand its own share of a shrinking economic pie. As in the 1930s, the great danger facing the working class is that economic warfare ultimately results in military conflict.

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