

Obama leaves Asia empty-handed

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South Korea, the final leg of US President Obama's Asian trip, was no more successful than his other stops. In Japan, Singapore and China, Obama failed to secure any significant economic concessions and came under fire for growing US protectionism. In South Korea on Thursday, he made no advance with an equally uncompromising South Korean President Lee Myung-bak toward a free-trade deal between the two countries—a major item on the agenda.

The Bush administration signed a free-trade agreement (FTA) with the previous South Korean president, Roh Moo-hyun, but it has stalled in the legislatures of both countries. Democrats in the US Congress have demanded the removal of tax and regulatory obstacles that restrict the sale of American autos and white goods in South Korea. Seoul is insisting on the protection of its agricultural sector from US exports.

Sharp differences over these issues were barely papered over. After meeting with Lee, Obama declared that he was committed to moving the agreement forward, but acknowledged that major issues remained. Lee in turn said that he was ready to address the sensitive auto issue, but added: “The one thing I want to clarify is that Korea's agricultural and services industries also feel the FTA with the US is unfair.”

Like Obama, Lee is under strong pressure from protectionist lobbies in South Korea. Opening up the country to US farm products would destroy an estimated 130,000 jobs in the agricultural sector. Lee's decision to resume US beef imports in 2008 unexpectedly triggered massive anti-government protests over a confused mixture of issues, including fear of mad cow disease and job losses, combined with rising anti-American sentiment.

In the auto sector, the *Wall Street Journal* noted that Hyundai-Kia sold 100 times as many vehicles in the US last year than Cadillac, Chrysler and Ford sold in South

Korea, even though the US market was only 13 times larger than South Korea's. But South Korean officials point out that half of the South Korean cars sold in the American market were made in the US and that GM owns South Korea's third largest auto company, Daewoo.

Lee fears that further job cuts in the already hard-hit auto sector will provoke further social unrest. In August, he sent thousands of riot police into the Ssangyong Motor plant at Pyeongtaek to break up a 77-day occupation by workers after the company announced it was slashing around 2,600 jobs. At the same time, Lee, like other Asian leaders, is concerned about rising protectionism in the US, as indicated by recent punitive measures against Chinese goods.

A free-trade agreement with South Korea would be the first between the US and any major Asian economy. South Korea is the US's seventh largest trade partner, with two-way trade reaching \$US82.9 billion in 2008. Efforts to reach trade deals with Thailand and Malaysia have also run into difficulties. The US is largely being left out as more than 70 trade deals turn Asia into a regional trade bloc centred in China and Japan.

Singapore's former prime minister Lee Kuan Yew recently warned that protectionist sentiment in the US would have long-term consequences, saying: “If it goes on like that, after eight years—assuming that President Obama goes for a second term—anti-free trade, you are out of the economic race.” Lee added that “if you are out of the economic race, you will lose in the long run,” particularly to China.

As elsewhere in the region, China's rising economic power is having its impact in South Korea. As the *Financial Times* commented, “the US is no longer the only show in the town”. When President George Bush senior visited Seoul 20 years ago, the US was the country's main trade partner and there was only one

weekly flight from South Korea to China. Today, China has replaced the US as South Korea's largest trading partner and the number of weekly flights to China has soared to 642.

Referring to Obama's visit to China, an editorial in South Korea's largest daily, *Chosun Ilbo*, declared: "The US is no longer in a position to tell China what to do." The editorial argued that South Korea had to attempt to balance between the two powers. "As a new era dawns, Seoul's diplomatic strategies must change. It is time to go beyond the single-track approach and come up with a multi-layered plan," it stated.

South Korea is still heavily dependent on the US militarily, however. Seoul maintains its Cold War alliance with Washington and continues to host US military bases and 28,500 US troops. South Korean President Lee belongs to the right-wing Grand National Party that was the political face of the successive US-backed police state regimes that ruled until the late 1980s.

Obama and Lee confirmed their common hard-line approach to North Korea and its nuclear programs—the other major issue to be discussed. "The thing I want to emphasise is that President Lee and I both agreed on the need to break the pattern that has existed in the past, in which North Korea behaves in a provocative fashion and then returns to talks for a while and then leaves the talks seeking further concessions," Obama declared.

At the joint press conference, Obama announced that US special envoy Stephen Bosworth would travel to Pyongyang on December 8, but insisted that the mission was limited to pressing North Korea back to six-party talks that involve the US, China, Japan, Russia and the two Koreas. Obama also declared that he agreed with Lee's proposal for a "grand bargain" to use economic leverage to pressure North Korea to dismantle its nuclear facilities.

For all the propaganda about North Korea's provocative behaviour, Lee, with US backing, has deliberately raised tensions between the two Koreas. Hostile to the so-called "Sunshine policy" of previous administrations, Lee stopped the shipments of food and fertiliser to North Korea after coming to power in 2007. The move has deprived North Korea of an estimated one million tonnes of food a year and threatens to cause starvation. Lee's

"grand bargain" is more a policy of economic blackmail.

According to the *Washington Post*, the Obama administration has ruled out providing food aid as part of any dealings with North Korea. The Bush administration had provided just 169,000 tonnes of food, out of a promised half a million tonnes, as part of a six-party accord reached in February 2007. By December 2008, the agreement had virtually collapsed after the US made new verification demands—a policy continued by Obama. In March this year, the Obama administration seized on a North Korean missile test to suspend all food aid.

Obama's visit was accompanied by the most extensive security measures surrounding any foreign guest. Concerned about antiwar protests, South Korean authorities mobilised 13,000 troops and security personnel for the one-day visit. Last Saturday, hundreds of people demonstrated outside the US embassy in Seoul against South Korean plans to send 300 combat troops to Afghanistan. The troop numbers could eventually increase to 500, under the guise of protecting 130 Korean specialists sent to assist so-called "reconstruction".

South Korean support for the US-led occupations of Iraq and Afghanistan is widely unpopular. Former President Kim Dae-jung sent South Korean medical and engineering units to Afghanistan. In 2004, President Roh dispatched 3,600 troops to Iraq, the third largest deployment after the US and Britain. They were withdrawn last year. A wave of protests erupted after the Taliban captured 23 South Korean aid workers in 2007, forcing an end to South Korea's presence in Afghanistan.

Limited support for his escalating neo-colonial war in Afghanistan was all that Obama had to show for his trip to Asia. On top of Lee's small commitment of troops, Japanese Prime Minister Yukio Hatoyama pledged \$5 billion in aid to Afghanistan over five years—but only as compensation for ending Japan's unpopular naval refuelling mission in support of the occupation.



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