

Clinton outlines global US economic offensive

Peter Symonds
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In a little-reported speech at the Singapore Management University last Saturday, US Secretary of State Hillary Clinton outlined what amounted to a US economic offensive, not just in Asia but globally.

Speaking before President Obama's arrival in South East Asia, Clinton declared: "The strategic and security dimensions of our efforts [in Asia] are well known. But the untold story that is just as important is our economic engagement." Linking the two aspects, she added: "To maintain our strategic leadership of the region, the United States is also strengthening our economic leadership."

Obama's visit to Thailand, Burma and Cambodia was part of his so-called pivot to Asia, aimed at strengthening strategic ties throughout the region at China's expense. Clinton's remarks underline the fact that the American military build-up is part of a comprehensive campaign designed to maintain US dominance in Asia on every front—diplomatic, economic and strategic.

A key element of the US economic push into Asia is the Trans-Pacific Partnership (TPP). Originally it involved just a handful of Pacific nations. Washington is now fashioning the TPP as a vehicle for its international trade and economic agenda in Asia. The TPP's terms have yet to be finally agreed, but the US is anxious to include protection of intellectual property rights and ensure greater access for US corporations, particularly in areas dominated by state-owned enterprises.

While not specifically excluding China from the TPP, Washington has set benchmarks that would mean Beijing would likely have to pay a high economic price to join, including opening up key areas of its economy

presently dominated by state-owned enterprises. During his talks with Chinese Premier Wen Jiabao on Tuesday, Obama declared that the two countries had to establish "clear rules of the road" for trade and investment.

Obama used the Association of South East Asian Nations (ASEAN) summit in Cambodia to establish the US-ASEAN Expanded Economic Engagement Initiative to broaden US trade and investment in the region and take a first step to including ASEAN nations in the TPP. The US initiative was one of several rival trade agreements discussed at the summit. China already has a Free Trade Agreement (FTA) with ASEAN.

In her speech, Clinton noted that Canada and Mexico had signed up to the TPP. Japan recently indicated its willingness to join, despite the heavy impact of ending high tariffs on its agricultural sector. Tokyo's calculations, however, are not simply economic. They are aimed at ensuring continued US strategic support as tensions with China rise. Japanese Prime Minister Yoshihiko Noda told Obama during the talks in Cambodia: "With the increasing severity of the security environment in East Asia, the importance of the Japan-US alliance is increasing."

While Asia was a particular target, Clinton outlined a broader global strategy in her speech that included "negotiations with the European Union for a comprehensive economic agreement"; focussing "our development agenda" in Africa, which "is currently home to 7 of the world's 10 fastest growing economies"; and negotiations with a new group, "the Alliance of the Pacific," in Latin America.

Clinton also highlighted the economic thrust of Washington's diplomatic efforts to establish ties with

the Burmese regime, previously closely aligned with Beijing. “As Burma opens up and establishes new ties to its neighbours, it could become a commercial hub linking markets in India and Bangladesh with South East Asia,” she explained. Her vision of “an Indo-Pacific economic corridor powered by new energy and transportation infrastructure” would undermine Burma’s economic dependence on China and cut across Beijing’s plans for its own corridor from the Indian Ocean to southern China.

Similarly, Clinton underlined an economic aim of the US-led occupation of Afghanistan as being to create “the New Silk Road, a web of trade and transportation links reaching from the steps [sic] of Central Asia to the southern tip of India.” Once again, the US “vision” is at odds with China’s efforts to open up Central Asia as a source of energy and raw materials for its expanding industries.

Clinton explained that US “economic statecraft” did not include just trade and investment agreements, but also unabashed advocacy for American corporations. “The United States is stepping up our game, using our network of more than 270 embassies and consulates to advocate for American firms, and help achieve President Obama’s goal of doubling US exports in five years,” she said. After citing her leadership of American CEOs at this year’s US-ASEAN Business Forum, she declared: “We are proud to go into bat for the Boeings and Chevrons and General Motors and so many others.”

Clinton complained that “in too many places businesses trying to break into markets face resistance, including trade barriers that are going up, not along borders, but behind them. And these obstacles stem from political choices, not market forces... Wherever companies face discrimination, the United States will stand up for the rules of an open, free, transparent and fair economic system.”

Under the banner of a “free and fair” economic system, the US is demanding access for giant US corporations to every corner of the global economy. By way of an example, Clinton cited recent Indian legislation opening up markets to “multi-brand” stores

such as Wal-Mart, Target and Costco. As the supermarket chains begin to dominate the Indian consumer market, hundreds of thousands of uncompetitive small retail businesses are likely to go to the wall.

Clinton noted Washington’s concerns about state-owned enterprises, saying: “They do often lack the transparency and accountability that come with private boards and investors. And then, diplomatic challenges arise when states abuse their economic advantage to bully their neighbours or box out competitors, like when we see countries cut off gas flows in the middle of winter over a political disagreement.”

The reference to cutting off gas was, of course, to Russia. But the US is especially preoccupied with China, where state-owned enterprises enjoy a monopoly in key sectors, including banking and finance. Moreover, large state-owned Chinese enterprises are competing with the US and other powers for access to energy and raw materials in Africa, the Middle East and around the globe. Clinton said the US State Department and other government agencies were drawing up an American strategy to counter “the challenges posed.”

The intertwining of the Obama administration’s aggressive strategic intervention into Asia with economic objectives underlines the source of the growing tensions and rivalry in the worsening crisis of global capitalism. Under Obama, the US has dramatically accelerated its efforts of the past two decades to use its military power to offset its economic decline. The so-called pivot to Asia is a comprehensive strategy aimed at forcing China to accede to a global order in which the US sets the rules. That can only lead to conflict and war.



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