

Call for new international economic order at Asia-Africa summit

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Further evidence of the declining economic influence of the United States was on display at the Asia-Africa Conference (ACC) in the Indonesian capital, Jakarta, yesterday.

Addressing the opening session of the ACC, which is commemorating the 60th anniversary of the establishment of the non-aligned group of nations in Bandung, Indonesian president Joko Widodo issued a call for a new global economic order which is not reliant on the three main international lending institutions.

“The idea that the world’s economic problems can be solved through the World Bank, IMF (International Monetary Fund) and the ADB (Asia Development Bank) is obsolete and must be abandoned,” he told the representatives of 92 nations attending the gathering.

While he did not mention it by name, Widodo’s remarks were a reference to the establishment of the Chinese-backed Asia Infrastructure Investment Bank (AIIB). This institution has been opposed by the US because it is seen as undermining the key institutions established in the aftermath of World War II and the ADB which is under the control of Japan. Indonesia is among 57 countries which have signed up as founding members of the AIIB.

“I am of the opinion that the fate of the global economy should not only be left to those three financial institutions. It is imperative that we build a new economic order that is open to new emerging economic powers,” he continued.

There had to be reform of the global economic architecture “to avoid the domination of certain groups of countries” clearly referencing the United States, Japan and their western allies.

Widodo also took aim at the United Nations saying Asian and African nations should push for its reform as

it was powerless to deal with global imbalances and injustices, referring in particular to the question of Palestine and calling for the establishment of an independent Palestinian state.

While the conference itself is regarded as something of an irrelevancy, a hangover from the geo-politics of the Cold War, the economic shifts reflected in it are not. In 1955, the 29 nations which gathered at Bandung in Indonesia under the banner of non-alignment, represented about one quarter of the world’s economic output. Today they comprise around half of the world economy. China is now the world’s second largest economy and India is increasingly becoming an economic force.

The other major event on the opening day was the address by Japanese Prime Minister Shinzo Abe, whose statement on Japan’s role in World War II received close attention, especially from China and South Korea.

Abe is due to address the US Congress next week, where his remarks on World War II will also be carefully studied in the lead up to a speech marking the 70th anniversary of the end of the war in August.

In his address to the summit, Abe expressed “deep remorse” for Japan’s actions in World War II but significantly did not repeat phrases used on previous occasions.

The meaning of apologies in Japanese politics in diplomacy is gauged not so much by the formal acknowledgement of wrong-doing but in the detail of such statements.

It was significant, therefore, that Abe studiously avoided the phrase introduced by Prime Minister Murayama in 1995 and repeated verbatim by Prime Minister Koizumi a decade later, that offered Japan’s “heartfelt apology to the people of the Asian nations affected by Japan’s colonial rule and aggression.”

Within Japan, right-wing nationalist political forces, which have considerable influence in the Abe government, have sought to expunge from the historical record the use of “comfort women” by the Japanese army in Korea and even to deny that the Nanjing massacre of 1937 in China took place.

Abe’s remarks were noted in a report published by the official Chinese news agency, Xinhua, which described him as a “staunch nationalist and active revisionist” who, together with “the majority of his cabinet and a horde of lawmakers,” had no intention of following the path charted by his predecessors. Abe has said that because he has upheld the Murayama statement as a whole he does not need to repeat its key phrases.

These assertions are not cutting any ice in Beijing where Abe is regarded as the most nationalist prime minister in the post-war period. That assessment will have been further buttressed by his summit remarks, which, while not specifically targeting China, were clearly aimed in its direction.

“We should never allow to go unchecked the use of force by the mightier to twist the weaker around,” Abe said. “The wisdom of our forefathers in Bandung was that the rule of law should protect the dignity of sovereign nations, be they large or small.”

These comments were in line with the US-Japan campaign against so-called Chinese assertiveness and aggression in the South and East China Seas. In the case of the long-running dispute over the rocky outcrops, known as the Senkaku in Japan and the Diaoyu in China, tensions were escalated by Japan in 2012 when it formally took over ownership of the islets from their previous private owners. Conflicts between China, Vietnam and the Philippines over territorial claims have been inflamed by increased US intervention under Obama’s “pivot to Asia.”

In what amounted to at least tacit recognition of the blows to US and Japanese economic influence struck by the wide support for the AIIB, Abe pledged Japanese assistance in the training of some 350,000 people in Asia and Africa over the next five years in an effort to ensure “quality growth” and eradicate poverty.

“Japan’s resolve is to turn growth in Asia and Africa into an enduring, not ephemeral, event,” he said, pledging to work with the “young and ambitious” in Africa and Asia and foster a generation which will

“shoulder their countries’ economic development.”

However, at the heart of this initiative is not economics and development as such, but rather a striving by Japan to counter what it sees as growing Chinese economic and political power in both Asia and Africa.



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