

## **South East Asia: US attempts to dominate health policy through Free Trade Agreements and other means**

### **Stand up to Uncle Bully**

By Shawn W Crispin

When US Ambassador to Thailand Ralph "Skip" Boyce led a peeved delegation of US companies - including Marlboro and big alcohol producers - to lodge their complaints with the Public Health Ministry about a national ban on cigarette advertisements and a pending one on liquor promotions, US commercial diplomacy toward Southeast Asia hit a new nadir.

If it seems odd that a senior US envoy would so publicly play the role of US corporate spokesman, that's because historically it is. But Boyce, a career diplomat who speaks fluent Thai and often portrays himself as a friend to the country, has perhaps more than any other senior US diplomat in Southeast Asia pushed forcefully President George W Bush's many controversial policies in the region - regardless of the moral consequences.

After September 11, 2001, Boyce was Washington's point man in chastising Indonesia's government for not taking more seriously the "war on terror" in the region. Now, Boyce is the highly visible spokesman for Washington's new drive to reshape its commercial relations with Southeast Asia more to the United States' advantage, partly through lopsided free-trade agreements (FTAs) and partly through good old-fashioned bullying - as demonstrated through Boyce's lobbying effort at Thailand's Health Ministry.

Seasoned Southeast Asia observers now realize how tragically the United States' clandestine counter-terrorism campaign has played out across the region, giving new, US-backed life to the anti-democratic tendencies that many countries had tried to bury with their recent authoritarian pasts. Governments in Indonesia, Malaysia and Thailand have all created their own dirty little versions of Guantanamo Bay, detaining unknown numbers of terror suspects to satisfy Washington's demands.

What has gone less noticed, but with potentially far wider consequences for Southeast Asia's future prosperity, is the hard new turn in Washington's commercial diplomacy toward the region.

The US had first packaged its current drive to broker FTAs in Southeast Asia as economic rewards for governments' cooperation with its counter-terrorism policies. Singapore and Australia, both staunch supporters of US counter-terrorism policies, were first in line to receive bilateral trade pacts. Thailand, which serves as the Central Intelligence Agency's secret regional hub for counter-terrorism logistics and operations, was logically next. And now that Malaysia and Indonesia have detained, from Washington's perspective, a sufficient number of suspected Muslim militants, they too have recently been invited to join the bilateral club.

Throughout the Cold War, the US was eager to help capitalism take root in Southeast Asia as a bulwark against communism's spread - and provided generous aid and market access to budding capitalist countries such as Thailand and Indonesia. Nowadays, Washington's FTA drive is often framed as a parallel but more efficient free-trade track than the World Trade Organization's stuttering multilateral course.

The reality, however, is that the US prefers the leverage of one-on-one negotiations with the region's small, export-dependent countries, which, at least historically, have relied hugely on US consumer markets for their economic growth. But as the United States' demands become more apparent at closed-door FTA negotiations, regional governments are starting to realize that the FTAs on offer are not so much economic rewards as do-or-die propositions.

Reward cum punishment

Washington's current drive to renegotiate its terms of trade with Southeast Asia is, at least in part, symptomatic of its growing desperation in an increasingly competitive global economy driven by lower-cost Asian producers. That's evident by the United States' attempts to impose strict new intellectual-property-protection measures through bilateral pacts. Such measures would never pass muster at the WTO, but would provide substantial competitive padding for US pharmaceutical and media companies.

The United States' bilateral drive in the region also comes at a time when its own free-trade credentials are very much in doubt. The terror-obsessed US Congress moved to block China's proposed acquisition of US oil company Unocal last year on spurious national-security grounds. The same flimsy rationale was used to block a United Arab Emirates-based port operator from winning management deals for US ports. At the same time, the US is pushing through FTAs to gain greater access to sensitive Southeast Asian industries, including telecoms and energy.

In short, Washington is bidding to impose its more legalistic version of capitalism on Southeast Asia's more free-wheeling economies, which many US businesses, with their comparatively bloated costs and without preferential treatment, have difficulty competing with. And if the Bush administration can't have its way at the negotiating table, it's willing to resort to bullying.

Three months ago Asia Times Online first reported, and the mainstream media later followed up, that senior US officials pressured the World Health Organization to remove its representative to Thailand after the UN official publicly called into question the adverse impacts a US-Thai FTA would have on Thailand's public health (**World health: A lethal dose of US politics**, June 17). The WHO official had noted that the stricter intellectual-property-protection measures in the pact would inevitably lead to higher drug prices and jeopardize hundreds of thousands of Thais, including a large number of the country's 600,000 citizens with the AIDS virus who depend on locally produced cheap generic medicines to survive.

US-Thai FTA negotiations, which Washington had hoped would serve as a model for other regional pacts, have recently stalled in the wake of a grinding political conflict, allowing Thai trade officials valuable time to assess the merits and demerits of a potential trade deal. Washington has threatened to make Thailand pay for the delay by suspending the country's GSP (Generalized System of Preferences) privileges, a move that Thai trade groups estimate would cost the country a million jobs through lost exports. Indonesia faces a similar US threat.

As the US flexes its economic muscles, it is prime time that Southeast Asian governments ask themselves whether further integration with the US economy on the proposed terms is truly in their respective national interests. America's hard trade stand also presents a golden opportunity for the Association of Southeast Asian Nations (ASEAN) to wade into the fray and through its collective numbers enhance its member states' negotiating leverage vis-a-vis the US.

Southeast Asian policymakers should bear in mind that very soon the US may not be as attractive a destination for their products as in the past. Collapsing housing prices and spiraling consumer and national debt levels promise to dry up America's once insatiable appetite for consumer goods. Rather, regional governments would be wise to expend their trade energies in forging closer ties with less demanding, higher-growth-potential China, India and petrodollar-rich Middle Eastern regimes, and less on deliberating unequal pacts with the US.

That way, when the likes of Ralph Boyce come knocking with US corporate demands, it will be that much easier for Southeast Asian governments to keep the door shut.

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