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Regional Overview: US Rebalances as Others Squabble by Ralph A. Cossa and Brad Glosserman

The only good news over the past four months regarding Korean Peninsula denuclearization is the absence of any new really bad news. North Korea's widely predicted third nuclear test or follow-on missile launch did not occur. The biggest multilateral surprise came when ASEAN concluded its annual ministerial meeting without issuing a communiqué. The ministers at the ARF highlighted the need for broader multilateral cooperation throughout the region, including the South China Sea. Economic ministers launched the first East Asian Summit Economic Ministers Meeting and the inaugural ASEAN-US Business Summit. Meanwhile, Secretary of Defense Panetta provided reassurance that the US planned to remain engaged in the region, although this did little to deter others from harping about US "decline." That refrain was accompanied by attempts to frame US policy as a response to the rise of China and a shifting balance of power in the region.

US-Japan Relations: Noda Marches on; Both Sides Distracted? by Michael J. Green and Nicholas Szechenyi

Prime Minister Noda advanced a legislative package on tax and social security reform but faced stiff political headwinds in the form of a frustrated public and a jaded opposition steeling for an election. Japanese concerns over the safety of the *MV-22 Osprey* aircraft scheduled for deployment in Okinawa dominated the bilateral agenda – at least in the media – and tested the mettle of Japan's widely respected new defense minister. The two governments agreed to continue consultations on Japan's interest in the Trans-Pacific Partnership (TPP) but political paralysis in Japan and presidential politics in the United States could complicate efforts to make progress in the near term. Two reports issued over the summer addressing US force posture strategy in the Asia-Pacific and the agenda for US-Japan alliance focused on the future trajectory for the bilateral relationship.

US-China Relations: Creating a New Type of Major Power Relations by Bonnie Glaser and Brittany Billingsley

Over the summer, the US began to flesh out its rebalancing to Asia strategy, prompting Chinese concerns. The fourth round of the Strategic and Economic Dialogue was held in Beijing in May amid a kerfuffle over dissident lawyer Chen Guangcheng. Presidents Barack Obama and Hu Jintao held their 12th and likely final meeting in June on the margins of the G20 Summit in Los Cabos, Mexico. Bilateral friction intensified over developments in the South China Sea. US-China military interactions stepped up with a visit to the US by Chinese Defense Minister Liang Guanglie and a visit to China by Commander of US Pacific Command Samuel

Locklear. The US-China Human Rights Dialogue was held in Washington in July.

US-Korea Relations: Challenges/Opportunities for Next Administrations by Victor Cha and Ellen Kim

In May, US-Korea relations were marked by nervousness about a potential crisis with North Korea as signs of activity at Punggye suggested preparations for a third nuclear test. Though a test did not occur, no one is confident that a crisis has been averted. In US-South Korea relations, differences over imports of Iranian oil and US beef calmed down without causing a major hiccup. Meanwhile, a number of difficult bilateral negotiations remain unresolved. While there are signs of progress on the New Missile Guidelines, the civil nuclear talks remain deadlocked. Territorial and historical disputes between Japan and Korea have complicated and frustrated US desires to strengthen trilateral cooperation with South Korea and Japan.

US-Southeast Asia Relations: ASEAN Stumbles by Sheldon Simon

Indonesian Foreign Minister Marty Natalegawa salvaged ASEAN unity after its failure to issue a formal communiqué at its ministerial meeting due to disagreement over Chinese activities in the South China Sea. At the US-ASEAN Post-Ministerial Conference, Secretary of State Clinton reiterated US support for a peaceful settlement to the disputes and emphasized the importance of ASEAN-based institutions in that process. The US linked efforts to improve Philippine "maritime domain awareness" to Manila's military development plans. Secretary of Defense Panetta also announced that the US would be adding naval visits to Vietnam. The US suspended many prohibitions against private investment in Myanmar, though human rights-based sanctions remain. At the Shangri-La Dialogue, Panetta outlined an ambitious plan for enhanced military partnerships with regional friends and allies, though how a reduced US military budget will impact these plans is a concern in the region.

China-Southeast Asia Relations: China Muscles Opponents on South China Sea by Robert Sutter and Chin-Hao Huang

The primary focus of attention in the relationship over the summer was the dispute over territorial claims in the South China Sea as China set forth implicit choices for Southeast Asian disputants and others with an interest in the region. Two paths – one focused on a demonstration of China's growing power and the other on positive aspects of Chinese engagement with Southeast Asia – are emerging as China continues to define its response to the conflict. Meanwhile, ASEAN struggled with finding unity in the face of disagreement among members regarding the territorial disputes. Elsewhere, China sought to reaffirm its friendly

relations with Myanmar while seeking reassurance that the leadership in Naypidaw remained committed to previously agreed-upon projects.

[China-Taiwan Relations: A Year for Consolidation](#)

by David G. Brown

President Ma's inaugural mentioned no new initiatives, confirming that this would be a year for consolidating relations rather than breakthroughs in cross-strait relations. While Beijing understands Ma's domestic position, it continues nudging Taiwan to move beyond economic issues. The 8th ARATS-SEF meeting in August concluded the long-stalled investment agreement, but only by finessing key contentious issues. Debates within the DPP over its policy toward Beijing continue. Initial decisions by new DPP chairman Su Tseng-chang indicate the party is not yet willing to adjust its policy. President Ma has taken steps to underline ROC claims to the Diaoyutai Islands.

[North Korea-South Korea Relations: Waiting for Better](#)

by Aidan Foster-Carter

Inter-Korean relations have more than one level. *Comparative Connections* focuses mainly on "high politics," of states and their interactions. In that sense, we have sadly little to report. Relations between the two Koreas could hardly be worse. In recent months they have interacted very little, though each has engaged in megaphone diplomacy. As always the North's was shriller and nastier. But there is also "low politics," meaning interactions by nonstate actors in a range of realms: aid, business, culture, family ties, and more. To a degree, in a situation as tense as Korea, these too are constrained by and take their cue from the state. On this level there is more to report, mainly in the chronology. Themes include the role of defectors/traitors and spies, the quiet persistence of those at the Kaesong Industrial Complex, the web of propaganda and misinformation schemes, and efforts of various NGOs that seek to build (and in some cases prevent) better relations.

[China-Korea Relations: Managing Relations amidst Power Transitions](#)

by Scott Snyder and See-won Byun

Senior-level dialogue between China and North Korea resumed this summer when head of the Chinese Communist Party (CCP) International Department Wang Jiarui became the first senior foreign visitor to meet Kim Jong Un. Several other high-level exchanges followed. Discussions focused on reconciling priorities and Chinese support for Kim Jung Un's consolidation of power. Although more subdued, there were also several high-level exchanges between China and South Korea as they celebrated the 20th anniversary of diplomatic ties, initiated talks on establishing a bilateral free trade agreement, held the second round of strategic defense talks, and sparred over South Korean concerns about human rights.

[Japan-China Relations: Happy 40th Anniversary...? Part 2](#)

by James J. Przystup

The summer was not all about the Senkakus, but the islands did dominate relations. The Ishihara Senkaku purchase plan went full speed ahead. Meanwhile, Hong Kong activists landed on the islands, sparking diplomatic protests from Tokyo; Japanese activists followed with their own landing on

the islands, sparking diplomatic protests from Beijing and anti-Japanese riots across China. Relations suffered further as Tokyo hosted the convention of the World Uighur Congress and President Hu Jintao found a meeting with Prime Minister Noda inconvenient. Japan's 2012 defense white paper reiterated longstanding and growing concerns with China's lack of transparency and the increasing activities of its navy in waters off Japan. Meanwhile public opinion on mutual perceptions continued a downward trend in both countries.

[Japan-Korea Relations: Grappling on a Hillside](#)

by David Kang and Jiun Bang

Diplomatic disputes between Korea and Japan over historical issues and territory flared yet again this summer, being by far the most serious row since the mid-2000s. With both sides focused more on proving the other's misdeeds than on finding some stable equilibrium, the disputes threatened to spill over and affect economic relations as well as distract leaders from more important issues. Korea-Japan relations are nowhere near a cliff, but without stabilizing relations, there are potential deleterious bilateral and regional effects. There were three underlying themes that characterized and reinforced the general lack of rapport: the reverberations from these bilateral disputes onto third parties, the domestic sources of foreign policy, and deliberate moves toward negative issue-linkage in stymieing diplomatic relations in the region.

[China-Russia Relations: Succession, SCO, and Summit Politics in Beijing](#)

by Yu Bin

In early June, Russia's new, and old, President Putin spent three days in Beijing for his first state visit since returning to the Kremlin for his third-term as president; his hosts (Hu and Wen) were in their last few months in office. Some foreign policy issues such as Syria and Iran required immediate attention and coordination between the two large powers. They also tried to make sure that their respective leadership changes in 2012 and beyond would not affect the long-term stability of the bilateral relationship. Putin's stay in Beijing also coincided with the annual SCO Summit. As the rotating chair, China worked to elevate the level of cooperation in the regional security group, which is faced with both opportunities and challenges in Central Asia.

[Australia-East Asia/US Relations: Rebooting the Alliance](#)

by Graeme Dobell

The Obama administration's military rebalancing to Asia helped reboot the US alliance with Australia. The announcement that the US Marines were heading for Darwin was the centerpiece of President Barack Obama's visit to Australia in November. After the alliance intimacy achieved by two conservative leaders – George W. Bush and John Howard – it seemed unlikely that a Democrat president and a Labor prime minister could tighten the alliance bonds further. Obama and Gillard managed it, proving again the special status of the alliance for both sides of Australian politics. The Marine deployment became an important element in the broader debate in Australia about the emerging power system in Asia and Australia's future relationship with its number one economic partner, China. Even in trade, Australia now faces different US and Chinese visions of the institutional framework for Asia's future.