# PacNet Number 34

## **Pacific Forum CSIS**

Honolulu, Hawaii

May 15, 2013

The May 2013 issue of Comparative Connections is available at http://csis.org/program/comparative-connections.

# Regional Overview: Continuity Prevails for Better and for Worse by Ralph A. Cossa and Brad Glosserman

The "unpredictable" North Korean regime acted all too predictably, following through on its threat to conduct a third nuclear test and increasing tensions through fiery rhetoric. Pyongyang also took steps to solidify its claim to be a nuclear weapon state, a status the rest of the world is no more willing to bestow on the Kim Jong Un regime than it was on his father's. Meanwhile, Secretary of State Kerry underscored the US commitment to the rebalance to Asia. While in Japan, he underscored that the so-called "pivot" also has important economic and political dimensions. Fears of "death by sequestration" have also (thus far) proven to be overstated. The jury remains out on who the "real Abe" will be but Japanese Prime Minister Abe has demonstrated enough continuity with candidate Abe by reinforcing his nationalist rhetoric to make Japan's neighbors, not to mention many in Washington, nervous.

# <u>US-Japan Relations: Back on Track</u> by Michael J. Green and Nicholas Szechenyi

Prime Minister Abe generated a buzz by introducing a three-pronged economic strategy designed to change expectations for growth as Japan prepares for a parliamentary election in July. President Obama hosted Abe in Washington for a summit that paved the way for Japan's inclusion in the Trans-Pacific Partnership trade negotiations. Coordination on regional security and defense cooperation accelerated with high-level visits in both capitals to reaffirm the vitality of the alliance. The reemergence this spring of tensions between Japan and its neighbors over history issues was the only wrinkle in a very productive period in US-Japan relations.

#### US-China Relations: Leadership Transition Ends, Bilateral Interaction Picks Up by Bonnie Glaser and Brittany Billingsley

With Xi Jinping's assumption to the presidency, China's leadership transition finally ended and high-level US-China contacts and exchanges picked up steam. Senior US officials traveled to China to discuss urgent matters like North Korea's third nuclear test as well as less pressing questions such as how to define the "new type of major power relationship" between the US and China. Secretary of the Treasury Lew, Secretary of State Kerry, Chairman of the Joint Chiefs of Staff Dempsey, and Deputy Secretary of State Burns visited Beijing. North Korea's third nuclear test provided an opportunity for the US and China to cooperate more closely. Cybersecurity rose to the top of the bilateral agenda as evidence revealed the extent of Chinese state-sponsored hacking into US government agencies and companies.

<u>US-Korea Relations: Crisis Du Jour</u> by Victor Cha and Ellen Kim

In early 2013, the Korean Peninsula cycled back into crisis. Three weeks after the UN Security Council imposed sanctions on Pyongyang for its latest rocket launch, North Korea conducted a third nuclear test. This led to a series of antics from the young leader, including a meeting with former NBA star Dennis Rodman, preparations for missile tests, and a pronouncement ending the armistice and declaring a new state of war on the peninsula. These threats were designed to test ROK President Park Guen-hye, who took office in February. Meanwhile, Seoul and Washington celebrated the one-year anniversary of the US-Korea Free Trade Agreement, agreed to a two-year extension of their civil nuclear agreement, and began preparations for special measures negotiations (a burden-sharing agreement for military forces).

## <u>US-Southeast Asia Relations: Military Commitments and Human Rights Concerns by Sheldon Simon</u>

In emphasizing the Southeast Asian component of the US rebalance to Asia, US officials noted the approach involves economics, strengthening regional institutions, and expanding partnerships. Moreover, much of the motivation for the rebalance, according to these officials, comes from Southeast Asians pressing for US leadership. In the realm of defense, the US emphasizes assisting partners to improve their own capabilities and working within security-related institutions such as the East Asia Summit. Washington is supporting security improvements in a number of countries in the region, including the Philippines, Thailand, Singapore, Vietnam, Indonesia, and Malaysia. Alongside these growing partnerships, however, are US criticisms of human rights problems in the Indochinese countries, Burma, and Indonesia that add friction to the relationships.

### <u>China-Southeast Asia Relations: China's Growing Resolve</u> <u>in the South China Sea</u> by Robert Sutter and Chin-Hao Huang

Chinese leaders reinforced the sinews of power to coerce and intimidate others from challenging Beijing's South China Sea claims. They averred unwavering determination to defend and advance the claims and uphold China's sovereignty and territorial integrity. At the same time, they continued to emphasize China's broad commitment to a path of peaceful development and expanding mutually beneficial relations with neighboring countries, the US, and others. In effect, they sustained the pattern of the past year, which established a choice. Those countries that pursue policies and actions at odds with Chinese claims will meet extraordinary coercive and intimidating measures; those that mute opposition or acquiesce regarding Chinese claims are promised a peaceful and mutually beneficial relationship with a more powerful China.

## <u>China-Taiwan Relations: Relative Calm in the Strait</u> by David G. Brown and Kevin Scott

The contrast between tensions elsewhere in the region and the relative calm in the Taiwan Strait was clearly in focus. In an event commemorating the 20th anniversary of cross-strait exchanges, President Ma said progress is "an example for East Asia and the world by demonstrating peaceful resolution of disputes." Taipei and Beijing continue to make slow, steady progress in expanding and institutionalizing ties. Health and crime issues, which provoked controversy in the past, have been addressed and talks on an exchange of unofficial representative offices have begun. Nevertheless, fundamental policy divergences and differences over the pace and scope of interaction will likely place real limits on future integration. Taipei and Tokyo successfully concluded a landmark fisheries agreement that constructively focuses on resource cooperation.

# North Korea-South Korea Relations: Curtains for Kaesong? by Aidan Foster-Carter

In a triumph of hope over experience, our last report ended with the cautious thought that new leaders in the two Koreas, each with a dynastic background, might have "a tacit basis for understanding." It is early days yet, but so far 2013 has gone in the opposite direction. This was one of those regular periods when storms on the peninsula make headlines around the world. The tensions fomented by Pyongyang, which seem to have died down for now, lasted longer and used more extreme rhetoric than usual. As so often, inter-Korean relations were more a victim than a main driver in all this. But they have suffered tangible damage with the closure, at least for now, of the Kaesong Industrial Complex, which had been the last remaining North-South joint venture.

# <u>China-Korea Relations: Seeking Alignment on North Korean Policy</u> by Scott Snyder and See-won Byun

South Korea and China both welcomed new leaders as Park Geun-hye and Xi Jinping began their presidential terms. Both leaders sent signals prior to assuming power that they wanted to repair relations that had frayed under their predecessors. They also faced an early challenge as North Korea defiantly responded to two UN Security Council resolutions condemning Pyongyang's recent rocket launch and its third nuclear test. Escalating tensions in Korea provided an urgent rationale for Park and Xi to redouble efforts to establish a stable relationship and to respond to DPRK provocations. China and South Korea must establish a productive relationship and coordinate policies toward North Korea in an increasingly challenging political and strategic environment.

# <u>Japan-China Relations: Treading Troubled Waters</u> by James J. Przystup

The Senkaku/Diaoyu Islands controversy continued to occupy center stage in the Japan-China relationship. Trying to find political traction and advance a possible summit, Prime Minister Abe sent Yamaguchi Natsuo to Beijing, where he met Xi Jinping. The meeting produced agreement on the need for high-level talks, which have yet to materialize. In response to Beijing's efforts to have Tokyo admit the existence of a dispute over the islands, the Abe government continued to insist that a dispute simply does not exist. To

demonstrate the contrary and challenge Japan's administration of the islands, China increased the number and frequency of maritime surveillance ships deployed to the region. At the end of April, China's Foreign Ministry for the first time applied the term "core interest" to the islands.

#### <u>Japan-Korea Relations: Groundhog Day in Foreign Policy</u> by David Kang and Jiun Bang

North Korea's histrionics again dominated media headlines and managed to overshadow the inauguration of Park Geun-hye in February 2013, even while South Korea and Japan under-reacted to the bluster. With Park's inauguration, new leaders have taken office in every country in Northeast Asia, including North Korea and China, over the past 18 months. Despite new leadership, the issues remain very much the same: North Korean threats, increased South Korea-Japan economic interactions despite continued squabbling over historical and territorial issues, and a reminder that the US remains deeply involved in regional issues.

# <u>China-Russia Relations: Pivots to Eurasia and Africa: Xi's Style</u> by Yu Bin

President Xi Jiping kicked off his first round of foreign visits by traveling to Russia and Africa in late March, just five days after he was confirmed as China's paramount leader by the National People's Congress. In comparison, it took Hu Jintao two months and Jiang Zemin two years to set foot in Russia after assuming the Chinese presidency. Both sides hailed the Moscow summit as "historical" for the "special nature" of the Sino-Russian strategic partnership. Xi also became the first foreign head of state to visit the Russian Defense Ministry. Three days after their summit, Xi and Russian President Vladimir Putin met again in Durban, South Africa, where they navigated the annual BRICS Summit toward a more integrated economic grouping. Before and after those trips, however, both men had to deal with a host of difficult and dangerous foreign policy challenges in Korea, Afghanistan, and Syria.

# Asian Regionalism: Multilateralism in the Asia-Pacific by Catharin Dalpino

Asia-Pacific regionalism has been spurred by increasing economic integration but pulled apart by territorial tensions. These two trends have proceeded on separate paths with only occasional intersection. However, security dynamics are likely to increasingly influence regionalism as China rises and the US attempts to "pivot" more of its foreign policy to Asia. ASEAN continues to serve as a base for regional organizations, but in 2012 questions were raised about whether that center could hold. ASEAN's goal to complete the blueprint for the ASEAN Free Trade Area in 2015 puts additional pressure on the group. On a broader regional plane, the Trans-Pacific Partnership has expanded in recent months with the addition of Japan, Mexico, and Canada. Meanwhile, the launch of negotiations for the ASEAN-based Regional Comprehensive Economic Partnership in late 2012 raises fears of a bifurcated landscape for the Asia-Pacific region into US and Chinese economic "spheres of influence."