PacNet Number 59

Pacific Forum CSIS

Honolulu, Hawaii

Sept. 15, 2015

The September 2015 issue of Comparative Connections is available at http://csis.org/program/comparative-connections.

Regional Overview: The Rebalance Picks up Steam by Ralph A. Cossa and Brad Glosserman

The big news over the summer is the granting of "fast track" Trade Promotion Authority to President Obama by the US Congress. This keeps hopes alive for the Trans-Pacific Partnership, the economic centerpiece of the Obama administration's rebalance to Asia. China continues to make its presence felt in regional affairs as well; President Xi Jinping attended the BRICS and Shanghai Cooperation Organization summits, while continuing to pursue his Silk Road and Asian Infrastructure Investment Bank initiatives. Meanwhile, Pyongyang engaged in another round of Russian roulette but backed down when it became apparent Seoul was prepared to pull the trigger. Finally, the 70th anniversary of the end of World War II put history on the front pages.

US-Japan Relations: History and other Alliance Constraints by Sheila Smith and Charles McClean

In the wake of a highly successful April visit by Prime Minister Abe to Washington, the US-Japan relationship seemed poised for a celebration of success in revamping the alliance. Two focal points of alliance policymakers were the Guidelines for US-Japan Defense Cooperation and the Trans-Pacific Partnership. But over the summer, both of these initiatives came under political scrutiny. Beyond alliance priorities, the US and Japan faced additional dilemmas in how to deal with a more assertive and sensitive China. Artificial island building by China in the South China Sea brought the US and Japan into closer dialogue on regional maritime cooperation. At summer's end, commemorations of the end of World War II brought heightened sensitivity to the region.

<u>US-China Relations: The Run-up to Xi Jinping's State Visit</u> by Bonnie Glaser and Jacqueline Vitello

Preparations for Chinese President Xi Jinping's state visit to the US in September were the primary focus of the US-China relationship. The seventh Strategic and Economic Dialogue was held in June in an effort to tee up agreements for the summit. Friction increased on a range of issues, including China's artificial island building in the South China Sea, Chinese cyber hacking against US companies and the US government, and repressive laws and actions undertaken by the Chinese government, some of which are likely to have negative repercussions for future US-China people-to-people exchanges. National Security Adviser Susan Rice traveled to China at the end of August to finalize deliverables for the summit amid reports of a possible Obama administration decision to impose sanctions on China for cyber-enabled theft of US intellectual property before Xi's arrival.

<u>US-Korea Relations: Witnessing Anniversaries and Crisis at the DMZ</u> by Stephen Noerper

The US and ROK marked the 65th anniversary of the start of the Korean War while the region commemorated the 70th anniversary of the end of World War II, which also marks Korean Liberation Day. The US and ROK conducted military exercises mid-August amidst a flare up in inter-Korean tensions. North Korea backed down from a semi-war state and expressed regret over the landmine maiming of two ROK soldiers, as South Korea agreed to silence its speakers along the DMZ, and both agreed to talks aimed at family reunions.

<u>US-Southeast Asia Relations: Courting Partners</u> by Sheldon Simon

Senior US officials made several visits to Southeast Asia over the summer months, assuring their hosts that the US remained committed to a robust air and naval presence in the region, and assisting the littoral countries in developing maritime security capacity. Washington is particularly focused on providing a rotational military force presence in Southeast Asia. On the South China Sea territorial disputes, US officials emphasized the need for peaceful approaches to conflict settlement, pointing to arbitration and negotiation based on the 1982 UN Convention on the Law of the Sea. Washington has also accentuated the importance of security partners, noting the potential for an enhanced role for Japan's Maritime Self-Defense Force in South China Sea patrols. Efforts to involve Southeast Asian states in the Trans-Pacific Partnership have elicited candidates from only four ASEAN states. Others have problems meeting several requirements associated with the partnership.

<u>China-Southeast Asia Relations: Facing US-led Resistance</u> <u>in the South China Sea</u> by Robert Sutter and Chin-Hao Huang

China has made significant gains in advancing control in the South China Sea. Its bold tactics involving massive dredging and rapid construction, shows of military force, deployments of its Coast Guard fleet, and movement of massed fishing vessels and large oil rigs warned of China's power and determination to have its way. Apart from the Philippines and Vietnam, China's Southeast Asian neighbors have adopted a low posture on the advances. Nevertheless, US rhetoric has become increasingly strident and it has deployed military forces. Japan and Australia also took steps to counter the Chinese moves. Malaysia, this year's ASEAN chair, allowed a full discussion of the South China Sea disputes at the ASEAN foreign ministerial meetings in August. Placed on the defensive, Beijing offered words of reassurance and conciliation, emphasizing common interests with ASEAN and the US in peaceful economic development and other areas. But these tactics may have limited impact outside China.

<u>China-Taiwan Relations: KMT Disarray Shapes</u> <u>Campaign</u> by David G. Brown and Kevin Scott

The Kuomintang (KMT) Party's mismanagement of the selection of its presidential candidate has left the party in disarray and increased the prospect that Democratic Progressive Party (DPP) candidate Tsai Ing-wen will win the presidency along with a majority in the Legislative Yuan (LY) elections. Faced with the prospect of DPP victories, Beijing has sent mixed messages to Taiwan, while voicing its confidence in preserving the accomplishments of the peaceful development policy for the long-term. Against this background, the Ma administration and Beijing have struggled to keep cross-strait relations moving forward.

North Korea-South Korea Relations: From Snakes to Ladders? by Aidan Foster-Carter

Mid-2015 saw the two Koreas hit the headlines again, for the usual depressing reasons. It was a hot August politically on the peninsula; with hostilities – mostly rhetorical, but shots were fired – cranked up to a degree not seen since the spring of 2013. Before that, three months of bickering during May through July destroyed the "late spring blossoms" that our previous report had foolishly thought to discern in bud. Having been thus wrongfooted (not for the first time), although hope springs eternal, caution seems advisable as to the prospects for and sustainability of the new outbreak of peace that North and South Korea currently purport to have snatched from what so recently looked like the brink of war.

<u>China-Korea Relations: Prospects for a Strategic Partnership?</u> by Scott Snyder and See-won Byun

President Park Geun-hye's participation in China's 70th anniversary celebrations of the end of WWII in September affirmed Seoul's ties with China, while enabling Seoul to go on the offensive to win Beijing's acceptance of a Seoul-led reunification of the Korean Peninsula. The escalation of inter-Korean tensions in late August revealed the dilemmas underlying Seoul's regional diplomacy that continue to undermine coordination on North Korea and other security challenges. Nevertheless, both China and South Korea are engaging in parallel efforts to revive commercial ties with the North. Meanwhile, South Korea has made clear for now that its ability to engage China lies firmly on the foundations provided by a strong US-ROK security alliance; however, we expect that Beijing will continuously test Seoul's allegiances.

<u>Japan-China Relations: To August 15 – Toward September 3</u> by James Przystup

There was a parade of senior Liberal Democratic Party figures traveling to Beijing over the summer. The visits were aimed at sustaining positive political trends, securing an invitation for Abe to visit China, and anticipating issues related to Abe's August 15 statement commemorating the end of World War II. Meanwhile, China prepared to celebrate the 70th anniversary of the Chinese People's War of Resistance against Japanese Aggression and the World Anti-Fascist War with a victory parade on Sept. 3. With this backdrop, each country sought to enhance its security posture in the East and South China Sea, further besetting bilateral relations.

Japan-Korea Relations: Sorry Seems the Hardest Word (unless you are a CEO) by David Kang and Jiun Bang

It has become the norm for countries to at least try to avoid undermining the spirit of bilateral celebrations. The general mood enveloping both Japan and Korea - in anticipation of the 50th anniversary of normalization of relations on June 22 – was to accentuate areas where progress was being made while marginalizing issues that are predictably controversial. This translated into some compromise on Japan's pursuit of gaining inscription for several sites on UNESCO's World Heritage List, a few exchanges of cultural artifacts, and bilateral talks and meetings on the sidelines of major international conferences. The general mood, however, was decidedly anticlimactic as the 70th anniversary of Korea's independence from Japanese colonial rule or the defeat by Japan in World War II were not so much an occasion to celebrate how much each country had accomplished, but a reality check on how much the two had yet to achieve.

<u>China-Russia Relations: Tales of Two Parades, Two Drills, and Two Summits</u> by Yu Bin

Strategic interactions between China and Russia went into high gear in mid-year. It started on May 8 with the largest military parade in post-Soviet Russia for the 70th anniversary of the Great Patriotic War and ended on Sept. 3 when China staged its first-ever Victory Day parade for the 70th anniversary of its war of resistance against Japan's invasion of China. In between, the Russian and Chinese navies held two exercises: one in the Mediterranean in May and one in the Sea of Japan in August. In between the two exercises, the Russian city of Ufa hosted the annual summits of the SCO and BRICS, two multilateral forums sponsored and managed by Beijing and Moscow outside the confines of Western institutions. For all of these activities, Chinese media described Sino-Russian relations as "For Amity, Not Alliance."

<u>Australia-East Asia/US Relations: Alliance, Trade, Climate, and China</u> by Graeme Dobell

The Obama administration and the Abbott government stood together in the new military coalition in Iraq and joined in the trade push for a Trans-Pacific Partnership. Australia's Defence White Paper, about to be released, will be a strong and detailed statement of support for the alliance with the US. Yet, the discussion of the US-Australia relationship often turned into a debate about China. The notable political difference between Obama and Abbott in the past 12 months was over climate change. The US president highlighted the policy difference in a speech during the G20 Summit that Abbott hosted in Brisbane. The other divergence between Australia and the US was over China's creation of the Asian Infrastructure Investment Bank. After initially sharing US fears about the bank, the Abbott government eventually decided to abandon the US and Japan and became a founding member.