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Regional Overview: *Déjà Vu* All Over Again with North Korea by Ralph A. Cossa and Brad Glosserman

The last quarter ended with the international community playing “will they, or won’t they” over North Korea’s threatened missile test; they did! This quarter it’s *déjà vu* all over again, this time concerning a nuclear test. The UN Security Council’s surprisingly tough response to the missile tests did not help jump-start the negotiation process. At the ARF, North Korea’s foreign minister refused to come to an “informal” six-party meeting, despite a chance to meet Secretary of State Rice. ASEAN foreign ministers also held their 39th annual Ministerial and numerous 10+1 post-ministerial talks, along with an ASEAN Plus Three meeting. Meanwhile, the democratic process continued to have ups and (mostly) downs in Asia, as the military coup in Thailand reminds us of just how fragile the democratic process is.

U.S.-Japan Relations: Enter Abe Stage Right by Michael J. Green and Shinjiro Koizumi

The key theme for the third quarter has been the transition of power from Koizumi Junichiro to Abe Shinzo. North Korea’s July test-launch of seven missiles gave Abe a chance to display his leadership credentials, setting the stage for a continued strengthening of the U.S.-Japan alliance. Koizumi’s Aug. 15 visit to Yasukuni raised questions and criticism in some corners in Washington about how ideological an Abe government might become, but the Koizumi visit may also have bought Abe time to decide how to handle relations with China. Abe’s first steps as prime minister will determine whether he will be seen as a pragmatic and strategic leader or – as his critics charge – a young and inexperienced nationalist.

U.S.-China Relations: Promoting Cooperation, Managing Friction by Bonnie S. Glaser

Attention focused on economic issues this quarter with visits to China by USTR Schwab and Treasury Secretary Paulson, who launched a new U.S.-China Strategic Economic Dialogue. Bilateral military ties took a step forward with a visit to the U.S. by Vice Chairman of the Central Military Commission Guo Boxiong and the first ever U.S.-China joint naval exercise. The Bush administration took China to task for proliferation of weapons of mass destruction materials and technology due to lax enforcement of export control laws. North Korea, Iran, and Sudan dominated the security agenda. The second round of the China-U.S. Global Issues Forum was held in Beijing. Bilateral space cooperation was initiated with a visit to China by a delegation led by NASA Administrator Michael Griffin.

U.S.-Korea Relations: North Korea Rolls the Dice and Conducts Missile Tests by Donald G. Gross

The UNSC unanimously condemned North Korea in mid-July for test launching seven missiles. Following the Sept. 14 Bush-Roh summit meeting, the U.S. showed some procedural flexibility in the nuclear negotiations. President Bush gave his blessing at the summit to President Roh’s request for returning operational command of South Korea’s forces during wartime to Seoul. In two rounds of negotiations this quarter on a U.S.-Korea Free Trade Agreement, U.S. and ROK trade negotiators put a number of critical issues in manufacturing, services, and agriculture on the table but were only able to reach an apparent agreement on pharmaceuticals.

U.S.-Russia Relations: Energy and Strategy by Joseph Ferguson

Presidents Bush and Putin met at the G-8 Summit in Russia. But as the quarter wound down, familiar themes of distrust and misunderstanding pervaded the relationship. It is not that Moscow and Washington have opposing strategic interests; leaders in both capitals see eye-to-eye on nuclear proliferation and terrorism, and on more long-term goals like managing a peaceful rise of China. The problems seem to lie more in the tactics of achieving these strategic aims. Russian leaders have a hard time conceding global leadership to Washington; many in the U.S. still harbor engrained prejudices against longtime adversary Moscow. Additionally, energy issues have become more and more the cause for disagreement between Russia and its neighbors and partners.

U.S.-Southeast Asia Relations: U.S. Strengthens Ties to Southeast Asian Regionalism by Sheldon W. Simon

Washington signed a trade and investment framework with ASEAN at July ministerial meetings and is considering appointment of an ambassador to ASEAN as well as creating a new Southeast Asia post in the Treasury Department. On the military dimension, the U.S. is delivering spare parts for the Indonesian air force and has a new defense arrangement with the Philippines on humanitarian aid, civic engagement, and counterterrorism training. Washington added Burma’s human rights violations on the UNSC agenda and enhanced economic and military relations with Vietnam. In response to the Sept. 19 Thai coup, the U.S. expressed disappointment but did not insist that deposed Prime Minister Thaksin be reinstated.

China-Southeast Asia Relations: Chinese Diplomacy and Optimism about ASEAN

by Robert Sutter and Chin-Hao Huang

Chinese diplomacy this quarter focused on the July ASEAN Regional Forum meeting in which China played an important role regarding North Korea, Myanmar, and Japan. Chinese officials remain optimistic about relations with

ASEAN as they celebrate the 15th anniversary of the China-ASEAN partnership. They reacted moderately to the military coup in Thailand, though they voiced strong objections to a U.S.-supported vote by the UN Security Council in September to have the UNSC examine the situation in Myanmar. There was little evidence of any change in China's policy toward the region as a result of a work conference on Chinese foreign policy in Beijing. Official Chinese reports on the conference appeared to support existing Chinese foreign policy priorities.

China-Taiwan Relations: More Small Steps

by David G. Brown

Corruption scandals and street protests calling for President Chen's resignation have paralyzed policy making in Taipei. Beijing is concerned over President Chen's playing the constitutional reform card to counter the campaign. Nevertheless, Taipei and Beijing undertook more small steps to ease restrictions on cross-Strait contacts. Beijing also continued active exchanges with the Kuomintang opposition. Significant changes in Taiwan Affairs Office personnel were announced, and the changes were viewed positively in Taipei. The visit to Taipei of a Japanese vice minister of agriculture symbolized the increased contacts between Tokyo and Taipei. With the Democratic Progressive Party (DPP) set to release proposals on constitutional reform, that issue is likely to reemerge as a source of cross-Strait tension.

North Korea-South Korea Relations: Sunset for Sunshine

by Aidan Foster-Carter

The third quarter began with and was dominated by the seven missiles that North Korea test-fired July 5. This rude gesture cast a large shadow on Seoul's "Sunshine" policy. July's missile launch had put most of the dense network of inter-Korean contacts on ice. Seoul struggled to strike a balance between showing disapproval – thus keeping the semblance of a common front with Washington – and seeking to ensure that the overall achievements of Sunshine were not jeopardized. It is too early to tell whether this was just a temporary hiccup, or marked a lasting change in the balance and thrust of the ROK's *Nordpolitik*. For reasons hard to fathom, Kim Jong-il chose to settle that question in the negative with an underground nuclear test Oct. 9.

China-Korea Relations: Unrestrained Defiance

by Scott Snyder

To the surprise of many, China signed the strongly worded UNSCR 1695 that condemned North Korea's July 5 missile tests. This followed the failed efforts to convince North Korea to exercise restraint and return to the negotiating table. PRC Foreign Minister Li Zhaoxing met with his ROK counterpart Ban Ki-moon several times during the quarter to discuss North Korea, and Roh Moo-hyun placed a rare phone call to Hu Jintao, who counseled patience and restraint. Rumors of North Korean plans for a nuclear test were given credence by North Korea's announcement Oct. 3 to do just that. Union leaders from ailing Ssangyong Motors launched a general strike against Chinese management at Shanghai Automotive Corporation, while China's attempts to restrain its booming economy reverberated in the form of slower growth of Korean exports to China.

Japan-China Relations: Searching for a Summit

by James J. Przystup

Prime Minister Koizumi visited Yasukuni on Aug. 15, honoring a long-standing campaign pledge. China protested the visit and moved on, focusing its attention on Chief Cabinet Secretary Abe, odds-on favorite to succeed Koizumi as Liberal Democratic Party president and Japan's prime minister. Abe took the reins of the LDP Sept. 20 and control of the government Sept. 26. China welcomed Abe with the same words it welcomed Taiwan's President Chen Shui-bian: it would listen to what he says and watch what he does. Even before taking office, Abe made clear his interest in a summit meeting with China. As the fourth quarter begins, Tokyo and Beijing were preparing for a summit.

Japan-Korea Relations: Missiles and Prime Ministers May Mark a Turning Point

by David C. Kang and Ji-Young Lee

North Korea's July missile launches and the election of Abe Shinzo as Japanese prime minister in September may mark the beginning of a new chapter in Northeast Asian regional relations. Both events are widely seen to presage possibilities in the region. The missile launches marked the escalation of the North Korean issue to new heights, prompting a stern response even from countries such as China and South Korea. How Japan under Abe might deal with both North and South Korea has been the source of tremendous speculation; it remains to be seen how and in what manner Abe's foreign policy will develop. Even as Tokyo and Seoul were haggling over territorial claims, Pyongyang's missile tests, and Yasukuni, economic relations continued to deepen.

China-Russia Relations: G-8, Geoeconomics, and Growing "Talk" Fatigue

by Yu Bin

While top leaders socialized at summits (G-8 and the Shanghai Cooperation Organization prime ministerial meeting), Russian and Chinese diplomats were in overdrive to deal with North Korea and Iran. The position of Beijing and Moscow has eroded because of two nuclear talk stalemates. Bilateral interactions between Beijing and Moscow proceeded full speed, as more than 200 events unfolded across China and Russia. Talks of a joint mission to Mars were heard. And the oil pipeline from Eastern Siberia to the Pacific Ocean is reportedly being built. However, by quarter's end, the two sides shortened bilateral visa-free visits from 30 to 15 days to prevent trips from being "used for wrong purposes."

Japan-Southeast Asia Relations: Playing Catch-up with China

by Bronson Percival

China is replacing Japan as the most influential Asian state in Southeast Asia. Tokyo has not been blind to Beijing's sophisticated campaign to increase China's influence in this region, but its response thus far has been too little, too late. Traditional issues such as investment, trade, and aid continue to dominate Japan-Southeast Asia bilateral relations. For Japan, these economic issues are managed, often on autopilot, by individual Japanese government ministries. There are few contentious issues in the Japan-Southeast Asia relationships and Japan retains a massive economic stake in the region. Tokyo is well positioned to exert greater influence if and when it puts its own house in order.