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**Regional Overview: Action for Action, with Mixed Reaction** by Ralph A. Cossa and Brad Glosserman

After eight months of inaction, there was a flurry of six-party action at quarter's end. As Pyongyang produced its declaration of its nuclear activities, President Bush announced his intention to remove North Korea from the U.S. listing of state sponsors of terrorism and Trading with the Enemy Act restrictions. Elsewhere, reactions to natural disasters showed how far China has come and Myanmar/Burma still has to go in dealing with the outside world. Reaction to Secretary Gates' Shangri-La statements on U.S. East Asia policy was positive. In contrast, there has been almost no reaction at all to Australian Prime Minister Rudd's call for a more inclusive Asia-Pacific community. At quarter's end, it looked like the India-U.S. nuclear deal might soon be resurrected from the near-dead. Finally, a word to our readers in Korea: Get the facts! American beef is safe.

**U.S.-Japan: Looking toward Elections** by Michael J. Green and Nicholas Szechenyi

The debate in the Japanese Diet remained contentious as opposition parties challenged the Fukuda government on several legislative issues including the gasoline tax, a new health insurance program for the elderly, and host nation support for U.S. forces. Fukuda's approval rating fell due to public dissatisfaction with his domestic policy agenda but later rebounded. Japanese anxieties continued to mount as the U.S. lifted terrorism-related sanctions on North Korea, but President Bush's reaffirmation of support for Japan on the abductee issue helped to assuage some of the concerns. It also helped that Secretary of State Rice stressed that the actions would be reversed if North Korea's claims could not be verified. Meanwhile, the Japanese public paid close attention to the U.S. presidential race as candidates took their debate into the pages of Japanese newspapers.

**U.S.-China: Chock-full of Dialogue: SED, Human Rights, and Security** by Bonnie Glaser

Major developments in Sino-U.S. relations took place on the economic, military, and political fronts this quarter. The 4<sup>th</sup> U.S.-China Strategic Economic Dialogue was held in Annapolis, yielding a 10-year energy and environment cooperation framework. A telephone link was installed between the U.S. Department of Defense and China's Ministry of Defense and talks were launched on nuclear policy and strategy. The U.S. and China held a round of their bilateral dialogue on human rights after a hiatus of six years and vice-foreign minister-level talks on security issues were held for the first time in four years. The U.S. provided assistance to ensure the security of the 2008 Olympic Games in Beijing. A 7.9 magnitude earthquake rocked China's Sichuan Province and

the U.S., along with the rest of the international community, provided aid. Secretary of State Rice visited the quake-hit area and held talks in Beijing.

**U.S.-Korea: What's the Beef About?** by Victor D. Cha

The quarter started off well with the first meeting of Presidents George W. Bush and Lee Myung-bak in April. The two leaders emphasized common values and the global scope of the alliance. They reached an agreement to maintain current U.S. troop levels on the Peninsula, which appeared to be an attempt to reverse the trend during the Roh-Rumsfeld era where each side was perceived as whittling away at the foundations of the alliance. An important but understated accomplishment was Bush's public support of Lee's request to upgrade the ROK's foreign military sales status. Congressional approval of this request would amount to a substantial upgrading of the alliance relationship. Finally, the two governments inked a memorandum of understanding on security improvements necessary to enable the ROK's entry to the U.S. visa waiver program.

**U.S.-Russia: Is It Interests or Values?** by Joseph Ferguson

At the conclusion of the final summit meeting between Presidents George Bush and Vladimir Putin in early April, relations between Moscow and Washington appeared to have righted themselves. The cordial meeting left a sense of optimism in both Moscow and the West that U.S.-Russia relations would improve until at least the U.S. elections this fall. Things have quieted down between the two nations over the last quarter, as the leadership of both countries has gone about business at home and has lessened (though not ceased) the often-negative rhetoric. But when the summer concludes, Russia will again loom large in U.S. political debates, and the big questions of U.S. foreign policy will necessarily include Russia policy. And as President Medvedev unveils his version of "sovereign democracy," U.S. foreign policymakers have to address the question of whether U.S. policy toward Moscow is centered on its strategic interests, or on democratic values.

**U.S.-Southeast Asia: U.S. Frustrated as Burma Obstructs Cyclone Relief** by Sheldon Simon

Cyclone *Nargis*, which devastated Burma's Irrawaddy delta killing tens of thousand and leaving 1.5 million homeless, was met with international concern and the offer of U.S. assistance via navy ships in the vicinity for the annual *Cobra Gold* exercise. Burma's junta, however, obstructed humanitarian assistance, fearing that Western powers would overthrow the generals. So, in contrast to the massive aid effort for Indonesia in the December 2004 tsunami aftermath, assistance has only trickled into Burma, and mostly controlled by the Burmese military. ASEAN, in collaboration with the UN, appealed to Burmese authorities to open the country to aid providers, but the most it has been able to accomplish is to

insert 250 assessment teams into some of the hardest hit areas to survey the population's needs. U.S. aid has been limited to more than 100 C-130 flights out of Thailand whose cargos are delivered into the hands of the Burmese military.

### **China-Southeast Asia: Cyclone, Earthquake Put Spotlight on China** by Robert Sutter and Chin-Hao Huang

Cyclone *Nargis* briefly put China in the international spotlight as Asian and world leaders sought help from Myanmar's main international backer in order to persuade the junta to be more open in accepting international assistance. The massive Sichuan earthquake of May 12 abruptly shifted international focus to China's exemplary relief efforts and smooth cooperation with international donors. Chinese leadership attention to Southeast Asia this quarter followed established lines. Consultations with Chinese officials showed some apparent slippage in China's previous emphasis on ASEAN playing the leading role in Asian multilateral groups.

### **China-Taiwan: Dialogue Resumes in Relaxed Atmosphere** by David G. Brown

Events in cross-Strait relations have unfolded rapidly since Ma Ying-jeou's election in March. After a nine-year hiatus, formal dialogue between Beijing's Association for Relations Across the Taiwan Strait (ARATS) and Taipei's Straits Exchange Foundation (SEF) resumed on June 12 in Beijing. These two nominally unofficial associations reached agreements on weekend charter flights and Chinese tourism. The atmosphere in this honeymoon period is so relaxed and consultative that it is hard to remember the bitter tensions that poisoned relations just a few months ago. However, political constraints on both presidents will make progress difficult, particularly on the international relations and security issues that are crucial to a lasting relaxation of tensions.

### **North Korea-South Korea: Lee Outflanked** by Aidan Foster-Carter

Rarely does the political weather change so abruptly with the calendar as it has in Korea during the past quarter. North Korea chose April Fools' Day to finally break its long silence on the South's new leader Lee Myung-bak. With rare restraint, Pyongyang had kept its counsel for several months since Lee – a former mayor of Seoul, ex-Hyundai CEO and self-described pragmatic conservative – was elected president by a large majority on a platform of mending fences with the U.S. and curbing Seoul's "sunshine" policy of the past decade. Though ready to expand inter-Korean dealings on his own terms – as in his Vision 3000 program, which offered to triple North Korean national income to US\$3,000 per head – Lee insisted on linking any increased cooperation to progress on the North's nuclear disarmament.

### **China-Korea: Establishing a "Strategic Cooperative Partnership"** by Scott Snyder

The Lee Myung-bak administration committed to the establishment of a "strategic cooperative partnership" with China during Lee's visit to Beijing in late May, only weeks after the tragic Sichuan earthquake and in the midst of protests in South Korea over Lee's decision to resume U.S. beef imports. Those events quickly overshadowed a late April flap during the Olympic torch relay in Seoul. PRC Vice President

Xi Jinping made his maiden international visit to Pyongyang where he affirmed the importance of the Sino-DPRK relationship. China received North Korea's declaration of its nuclear programs on June 26 in what was a formality given the role of U.S.-DPRK talks in paving the way. Nevertheless, the declaration did set the stage for the reactivation of Six-Party Talks. Hyundai-Kia opened a new factory in Beijing and SK Telecom responded to strategic changes in China's telecommunications market by diversifying its investments in pursuit of a "convergence strategy."

### **Japan-China: Progress in Building a Strategic Relationship** by James J. Przystup

Two events dominated the second quarter of 2008: the visit of President Hu Jintao to Japan and the Sichuan earthquake. Tibet, poisoned *gyoza*, and the East China Sea dispute set the pre-summit agenda. Although the summit itself failed to provide solutions, both Hu and Prime Minister Fukuda renewed commitments to cooperate in resolving the issues, and a month later the two governments announced agreement on a plan for joint development in the East China Sea. Shortly after Hu's return home, an earthquake hit Sichuan Province. Japan's response was well received by the Chinese victims. Beijing, however, quickly pulled back from an early but unofficial acceptance of Japan's Air Self-Defense Force participation in relief operations. By the end of May, Japan's contributions to relief efforts totaled 1 billion yen.

### **Japan-Korea: Tentative Improvement through Pragmatism** by David Kang and Ji-young Lee

Japan's relations with both North and South Korea improved over the past quarter. In conjunction with the North's June declaration of its nuclear activities, there was renewed momentum in resolving the two biggest pending bilateral issues between Tokyo and Pyongyang – the North's nuclear development program and the abduction issue. Bilateral talks resumed in mid-June after more than six months of no progress. The second quarter also marked a fresh start for Tokyo and Seoul as President Lee's Myung-bak's visit to Japan – the first since December 2004 by a South Korean president – marked the resumption of "shuttle diplomacy." The summit between Prime Minister Fukuda Yasuo and President Lee produced agreements on several bilateral issues, including the stalled bilateral FTA negotiations, closer coordination on policy regarding North Korea's nuclear development program, and youth exchanges.

### **China-Russia: Medvedev's Ostpolitik and Sino-Russian Relations** by Yu Bin

May 2008 was a hectic month for both Russia and China. The inauguration of Dmitry Medvedev as Russian president marked the least eventful, albeit the most speculated about, power transition in the history of the Russian Federation. Medvedev's visit to China in late May, his first foreign visit outside the Commonwealth of Independent States (CIS) as president, ran into the devastating earthquake (May 12) in China's Sichuan Province. Medvedev's appearance in China and the largest international rescue mission in Russian history were both symbolic and substantial for the Russian-China strategic partnership, regardless of who controls the Kremlin.