



The October 2008 Issue of *Comparative Connections* is now available online at <http://www.csis.org/pacfor/ccejournal.html>

Regional Overview: Inaction for Inaction, with Unhelpful Reactions by Ralph A. Cossa and Brad Glosserman

Hopes of progress in the Six-Party Talks were dashed as disagreements over verification of North Korea's nuclear declaration created a stalemate. Last year, Secretary of State Rice made news by not showing up at the annual ASEAN Regional Forum ministerial. This year she went and hardly anyone noticed. The democratic process made for interesting watching this quarter, not only in Thailand and Malaysia, but also in Japan as it saw its third leader in 24 months. The once presumably left for dead U.S.-India nuclear deal was reincarnated. Finally, the U.S. sneezed this quarter and the rest of the world caught cold, even as Wall Street struggles with a serious bout of pneumonia. Economic policy also dominated the "foreign policy debate" between Senators Obama and McCain.

U.S.-Japan: Weathering Political and Economic Turmoil by Michael J. Green and Nicholas Szechenyi

The quarter began with President Bush and Prime Minister Fukuda meeting on the sidelines of the G8 summit, but their agenda and Fukuda's own premiership were eclipsed by dramatic developments in both countries. After Fukuda resigned, Aso Taro began his tenure as prime minister stressing economic stimulus measures, the U.S.-Japan alliance, and Japan's role as a global leader. Meanwhile, the U.S. struggled to contain a financial crisis, prompting Japanese banks to take major stakes in ailing U.S. businesses. A successful ballistic missile defense test augured well for sustained defense cooperation. North Korea threatened to erase the progress made in the Six-Party Talks at a time when leaders in Washington and Tokyo had plenty of diplomatic challenges and tough domestic elections to manage.

U.S.-China: Olympics boost Chinese Pride and U.S.-China Relations by Bonnie Glaser

The Beijing Olympics were conducted without a hitch to the great relief of the Chinese who had long anticipated the momentous event. Abroad, the reviews were mixed. Most agreed that the opening ceremony was spectacular and that China had successfully ensured the safety of the events, but many argued that these goals had been achieved at a cost that highlighted the undemocratic nature of China's regime. President Bush's attendance further consolidated an already close and cooperative U.S.-Chinese relationship, even though Bush seized on several opportunities to criticize China's human rights practices. The U.S.-China Joint Commission on Commerce and Trade marked its 25th anniversary with agreements on food security, loans for medical equipment purchase, promotion of digital TV, and cooperation in

agriculture and on trade statistics. The U.S. presidential campaign heated up, but China received little attention.

U.S.-Korea: Déjà vu All Over Again? By Victor D. Cha

The big news of the quarter centered on leadership ills (literally) in North Korea and Pyongyang's rolling back of the six-party denuclearization agreement. On the U.S.-ROK front, President Bush made his last trip to Asia of his presidency, stopping in South Korea on his way to the Beijing Olympics. While the free trade agreement remains mired in U.S. domestic politics, important low-key agreements were reached to help bolster the people-to-people aspects of the alliance. As the quarter ended, the Bush administration was preparing to make what some described as a last-ditch effort to salvage the deal with North Korea.

U.S.-Russia: Have Relations Hit Rock Bottom?

By Joseph Ferguson

Throughout the early summer, it seemed that U.S.-Russia relations could sink no further. In August, the worsening situation came to a head when Russian troops invaded and occupied South Ossetia and attacked other Georgian cities. The U.S. reaction was swift: condemnation, followed by the transport home of Georgian combat troops deployed in Iraq, the ferrying of supplies to Georgian ports by U.S. warships, the extension of \$1 billion in aid, and the deployment of a small contingent of U.S. troops for "humanitarian" missions in Georgia. By September, Russia had asserted *de facto* control of both South Ossetia and Abkhazia and had recognized both as independent nations. Meanwhile the U.S. turned inward to deal with its financial crisis, leaving relations with Moscow on the backburner – at least temporarily.

U.S.-Southeast Asia: U.S. Responds to Southeast Asia Political Turmoil by Sheldon Simon

The cancellation of a draft peace agreement between the Moro Islamic Liberation Front and the Philippine government triggered renewed violence in the Philippine south. The U.S. has added new sanctions against Burma's junta and continues to criticize its political repression, while aid for the victims of Cyclone *Nargis* remains under the Burmese military's control. Ratification of ASEAN's new Charter by its member states has been achieved by eight of the 10 countries. As the U.S. expresses concern over the arrest of opposition leader Anwar Ibrahim, Malaysia complains of U.S. interference in Kuala Lumpur's domestic politics.

China-Southeast Asia: Small Advances, Trouble with Vietnam by Robert Sutter and Chin-Hao Huang

Chinese relations with Southeast Asia were overshadowed for most of the quarter by Chinese leadership preoccupations with the 2008 Olympic Games, the crises involving toxic Chinese milk supplies, and events in other parts of the world.

Although Chinese media highlighted President Hu Jintao's meetings with Southeast Asian and other world leaders at the Olympics, he and other leaders did not travel to Southeast Asia except for the foreign minister to attend the ASEAN meetings in Singapore. New troubles emerged with Vietnam, notably over oil exploration in the South China Sea. The recent pattern of Chinese, Japanese, and South Korean leaders meeting independent of ASEAN, despite their continued avowals of ASEAN's "leadership" in regional matters, paused due to the resignation of Japan's prime minister.

China-Taiwan: Progress in the Face of Headwinds by David G. Brown

Leaders in Taipei and Beijing continue to pursue improved cross-Strait relations despite political pressures and domestic criticism. The initial agreements are being implemented and quiet negotiations are laying the ground for a second set of agreements when ARATS Chairman Chen visits Taiwan in late fall. The Beijing Olympics occasioned some tensions over terminology until the leadership in Beijing stepped in to craft a solution. Taipei's modest proposal aimed at participation in UN specialized agencies was rejected by Beijing. However, a debate is underway in Beijing on how to address Taipei's demand for increased international space and the Ma administration remains hopeful that Beijing will devise a more forthcoming response. Finally, the Bush administration notified Congress of a \$6.5 billion arms package for Taiwan.

North Korea-South Korea: Still Stalemated by Aidan Foster-Carter

Relations between the two Koreas deteriorated further during the quarter. In a break from the "sunshine" policy pursued over the past decade, President Lee Myung-bak signaled that expanded inter-Korean cooperation would depend on progress in denuclearization under the Six-Party Talks (6PT). Not only did this linkage displease Pyongyang in principle, but the current 6PT stalemate has made inter-Korean progress difficult. By early July, with his popularity plunging, the president formerly known as "bulldozer" was ready to try a different tack. On July 11 he told the new National Assembly – elected in April, but only now convening due to inter-party wrangles – that "full dialogue between the two Koreas must resume." He also renewed his offer of humanitarian aid.

China-Korea: Post-Olympic Hangover: New Backdrop for Relations by Scott Snyder

The Olympic Games had preoccupied Chinese leaders for almost a decade as they sought to utilize it to project China's accomplishments on an international stage. But now that the Games are over, Chinese leaders may adopt a different frame for viewing the world and the Korean Peninsula, the details of which have begun to emerge in the "post-Olympics era." President Lee Myung-bak was among the world leaders who attended the opening ceremonies, while President Hu Jintao returned the visit to Seoul only two weeks later. In contrast, Kim Jong-il was a no-show not only for the Olympics, but also for the 60th anniversary commemoration of the founding of the DPRK on Sept. 9. The Olympics brought with it a surprising undercurrent of popular anti-Korean sentiment while Chinese product safety issues are another drag on the relationship.

Japan-China: The Gyoza Caper: Part II by James J. Przystup

The issue of contaminated *gyoza* moved to the front burner during the quarter. In his two meetings with President Hu, Prime Minister Fukuda emphasized the importance of making progress on the case. In mid-September, media reported that Chinese authorities had detained nine suspects. The commemoration of the end of World War II on Aug. 15 passed quietly with only three Cabinet ministers visiting the Yasukuni Shrine. Joint public opinion polling data revealed markedly different perceptions on the state and future course of the bilateral relationship. Japan released its *Defense White Paper 2008*, which again expressed concerns about China's military modernization and its lack of transparency.

Japan-Korea: Who's In Charge? by David Kang and Ji-Young Lee

Coupled with Prime Minister Fukuda's resignation and the choice of Aso Taro as prime minister, Japanese foreign policy was on a brief hiatus. There was little movement in Japan's relations with North Korea as this quarter was dominated by the news that Kim Jong-il was potentially very sick. Although it appeared that there was some progress on the abduction issue and Pyongyang's nuclear development program, by the end of the quarter both issues remained essentially in the same place. In contrast, Japan-South Korean relations plunged to new lows after a promising spring in which both Fukuda and President Lee Myung-bak had pledged to move the relationship forward. The question of who owns the Dokdo/Takeshima islets once again reared its ugly head.

China-Russia: Guns and Games of August: Tales of Two Strategic Partners by Yu Bin

The third quarter was quite eventful for Russia and China as well as their bilateral relationship. The Beijing Olympics opened and concluded with extravaganzas. Shortly before the opening ceremony, Georgia's attacks against South Ossetia led to Russia's massive military response and Russia's recognition of their independence. One consequence of the Georgian-Russian war is that China's "neutrality" is widely seen as causing a crisis in China's strategic partnership with Russia. Beyond the Olympics, South Ossetia, and chaos in world financial markets, Moscow and Beijing were able to move their relationship forward with several bilateral agreements.

Occasional Analysis: U.S. Presidential Candidates' Views on Relations with Asia

With the presidential elections in the U.S. scheduled for Nov. 4, the candidates' views of relations with Asia are of great interest to the foreign policy community. In an effort to provide some insight into the policies of the two candidates, we have surveyed both campaigns' statements to answer a series of questions regarding their Asia policy stances.

Applications are now being accepted for the 2008-2009 Pacific Forum Vasey Fellow position. Details, including an application form, can be found at the Pacific Forum web site [<http://www.csis.org/experts/fellows/vasey/>].