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Regional Overview: Old Challenges, New Approaches

by Ralph A. Cossa and Brad Glosserman

Pyongyang reverted to form this quarter, reminding everyone that old challenges would not be easily or quickly negotiated away. Its attention-getting devices included a failed “satellite launch” and an apparently successful nuclear test, along with a promise to never return to the Six-Party Talks. At the Shangri-La Security Dialogue, Secretary of Defense Gates showed the Obama administration’s softer, gentler side while the Chinese representative demonstrated that the “Cold War mentality” lives on. Politics as unusual was the order of the day, as North Korea apparently grappled with the issue of succession, civil disobedience in Thailand disrupted several ASEAN-related summits, and the prime minister in Malaysia stepped down. It was better news for India’s prime minister, who won a resounding victory this quarter, a feat which many expect Indonesia’s president to duplicate next quarter. There are signs that the ARF may actually be coming of age.

U.S.-Japan: Coordination amid Uncertainty

by Michael J. Green and Nicholas Szechenyi

Prime Minister Aso put off calling the election with the hope that additional economic stimulus measures would increase support for the LDP. The boost Aso received when Ozawa Ichiro resigned as opposition leader in May due to a funding scandal quickly evaporated when Ozawa was succeeded as head of the DPJ by Hatoyama Yukio. Most analysts predict a victory for the DPJ in a general election expected in August. Japan’s political mess did not get in the way of close U.S.-Japan coordination in response to a series of North Korean provocations. President Obama also made progress in nominating key personnel to guide the U.S.-Japan relationship. The quarter closed with the U.S. Congress gearing up for a budgetary battle over the future of the *F-22* stealth fighter, which the Aso administration has said it wants to buy, and the U.S. has said it does not intend to sell.

U.S.-China: Laying the Groundwork for Greater Cooperation

by Bonnie Glaser

After the first round of “get-acquainted” meetings aimed at laying the foundation for cooperation on a broad range of issues, the U.S. and China agree that the bilateral relationship is off to a good start. While there is acute awareness of the challenges, there is a shared sense that their futures are inextricably linked and that cooperation is essential to global economic prosperity and security. The quarter opened with the first meeting between Presidents Hu and Obama on the sidelines of the G20 financial summit. On separate visits to Beijing, Todd Stern, the U.S. special envoy for climate change, and House Speaker Pelosi underscored the importance

of combating the effects of global warming. Treasury Secretary Geithner traveled to China to prepare for the first round of the Strategic and Economic Dialogue. Washington sought China’s cooperation on regional security issues, including North Korea and Afghanistan-Pakistan. The Defense Consultative Talks were held in Beijing, giving a desperately needed boost to the bilateral military relationship.

U.S.-Korea: All North Korea, All the Time

by Victor D. Cha

The quarter saw a plethora of provocations by North Korea, ranging from ballistic missiles tests to the country’s second (and more successful) nuclear test. The United Nations Security Council responded with Resolution 1874 that called for financial sanctions and the institutionalization of a counterproliferation regime that would have made John Bolton proud. The U.S. and ROK presidents held their first summit amidst all this noise and sent clear signals of alliance solidarity. Washington exhibited the closeness of the alliance, being the only country to send a presidential delegation to the funeral of former President Roh Moo-hyun. These rhetorical demonstrations of the alliance’s strength, however, cannot drown out the potential substantive setback to the alliance as the KORUS Free Trade Agreement continues to languish.

U.S.-Russia: Laying the Groundwork

by Joseph Ferguson

President Obama traveled to Moscow to meet the political diarchy of President Medvedev and Prime Minister Putin. The meetings were cordial, but unlike summits of the past two decades between U.S. and Russia, there was no backslapping camaraderie or use of first names. Obama conducted the visit with a minimum of pomp and a maximum of professionalism. His job was to assess the state of U.S.-Russian relations, assess the leadership situation in Russia, and to decide on the best path to improve bilateral relations. Although most analysts saw the results of the summit as “mixed,” Obama laid the groundwork for achieving normalcy in relations for the next six months or so. The most pressing issues, however, remain unresolved, and it is not clear if progress can be sustained beyond the end of the year.

U.S.-Southeast Asia: President’s Cairo Speech Resonates in Southeast Asia

by Sheldon Simon

Southeast Asia praised President Obama’s Cairo address for opening a new dialogue with Muslims and acknowledging past U.S. transgressions. Washington excoriated Burma’s junta for transferring Aung San Suu Kyi to prison, saying the charges were “baseless” and an excuse to extend her incarceration. Thai political turmoil disrupted ASEAN-related meetings in April. In the Philippines, this year’s *Balikatan* exercise focused on responses to natural disasters as the Philippine Congress scheduled new hearings on the Visiting Forces Agreement. Human rights concerns in Southeast Asia

were raised in the U.S. watch list on human trafficking with most cited for an unwillingness or inability to stop the notorious trade. Finally, the U.S. praised Southeast Asian maritime defense cooperation in suppressing regional piracy and contributing to counter-piracy patrols in the Gulf of Aden.

China-Southeast Asia: Ferment over the South China Sea

by Robert Sutter and Chin-Hao Huang

The highlight this quarter was maneuvering over disputed territory and economic claims in the South China Sea. Last quarter's widely publicized face-off between the *USNS Impeccable* and Chinese vessels was followed by incidents and commentary that underlined China's view of an important U.S. role in challenging Chinese maritime claims in Southeast Asia. Chinese official statements and commentary and the actions by defense and security forces underlined a firm position in support of territorial and resource rights disputed by Southeast Asian neighbors and the U.S. Meanwhile, Chinese diplomacy picked up with economic support to Southeast Asian neighbors weathering the decline in trade and investment during the global recession along with visits and interaction with senior Southeast Asian leaders.

China-Taiwan: Moving Relations toward a New Level

by David G. Brown

Beijing and Taipei made significant progress in improving cross-Strait relations this quarter. In May, "Chinese Taipei" participated for the first time as an observer in the World Health Assembly. In April, the third round of ARATS-SEF talks produced three new agreements and an understanding to open Taiwan to investors from the mainland. These developments have been well received in Taiwan and have produced increasing de facto dealings between government officials from both sides. The precipitous decline in cross-Strait trade appears to be bottoming out and Beijing has taken steps to help Taiwan economically. Although there is still no indication that Beijing has reduced the military forces targeted at Taiwan, Hu Jintao has called for preparations concerning a peace agreement and confidence building measures.

North Korea-South Korea: So Long, Kaesong?

by Aidan Foster-Carter

The second quarter of 2009 – neatly bookended by missile launches – saw North Korea make headlines around the world, as it likes to do. On April 5 after a two month build-up, while the world watched the preparations via spy satellites, the DPRK finally fired its *Taepodong-2* long-range missile. Ostensibly this was to put a satellite in orbit – although neither the International Telecommunication Union nor anyone else has managed to observe any new object soaring across the heavens. Meanwhile, relations between the South and North continued to deteriorate as interaction became more caustic and the stakes higher. By the end of the quarter, the rest of the world watched again as the North launched more missiles.

China-Korea: Pyongyang Tests Beijing's Patience

by Scott Snyder and See-won Byun

North Korea's missile launch on April 5 and nuclear test on May 25 highlighted the tensions between China's emerging role as a global actor and a commitment to North Korea as an ally. On June 12, China voted in favor of UN Security

Council Resolution 1874 condemning North Korea's nuclear test. China now must decide whether it will actively implement the resolution. While China's economic leverage with North Korea has grown, its primary concern is maintaining stability for the political succession process now underway in Pyongyang. Meanwhile, economic policymakers in Seoul are seeking to expand South Korea's share of the Chinese market in an effort to shore up the economy and benefit from Beijing's massive stimulus plan. However, there is growing Sino-South Korean competition to secure overseas export markets and energy sources.

Japan-China: High-level Meetings Intensify as Old Problems Simmer

by James J. Przystup

High-level meetings marked the second quarter for Japan and China. In April alone, Prime Minister Aso Taro met three times with China's leaders, President Hu Jintao and Premier Wen Jiabao. Efforts to structure a response to North Korea's April 5 missile test and May 25 nuclear test dominated bilateral diplomacy. Japan's call for a strong response in the UN Security Council met with Chinese appeals for caution and restraint. Japanese efforts to begin implementation of the June 2008 agreement on the joint development of natural gas fields in the East China Sea and to resolve the January 2008 contaminated *gyoza* cases made little progress. Issues of history were rekindled by Prime Minister Aso's offerings at the Yasukuni Shrine and the release of movies on the Nanjing Massacre in China. The quarter ended with senior diplomats again discussing implementation of UN Security Council Resolution 1874, which imposed sanctions on North Korea.

Japan-Korea: Pyongyang's Belligerence Dominates

by David Kang and Ji-Young Lee

There was a dramatic increase in tensions between North Korea and all its neighbors, and this tension dominated relations during the quarter. In rapid succession, North Korea tested a long-range intercontinental ballistic missile (which failed), a nuclear device (successfully), dared anyone to start a war with it, and then dispatched a ship suspected of carrying small arms on a route most believed destined for Myanmar. Japan led the way in responding to the provocations, introducing harsher sanctions and calling for wider international moves to punish Pyongyang. Seoul-Tokyo relations moved closer as leaders in both capitals agreed on how to react to North Korea and both leaders welcomed the Obama administration's moves for UN sanctions.

China-Russia: Summitry: Between Symbolism and Substance

by Yu Bin

Between June 14-18 Russian and Chinese heads of state interacted on a daily basis at three summits: the ninth annual SCO summit and the first ever Brazil, Russia, India, and China (BRIC) summit (both in Yekaterinburg), and their own annual bilateral meeting in Moscow. Economic issues dominated these meetings as the global financial crisis deepened. Mounting tension on the Korean Peninsula and instability in Iran were also recurring themes. President Hu Jintao's five-day stay in Russia ended when he joined President Dmitry Medvedev to watch a spectacular performance by Chinese and Russian artists in Moscow's Bolshoi Theatre for the 60th anniversary of Russian-China diplomatic relations.