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Regional Overview: They're (Not Quite) Baaaack!
by Ralph A. Cossa and Brad Glosserman

Last quarter we focused on remarks by President Obama and Secretary of State Clinton proclaiming that "America is back in Asia." This quarter, both were forced to postpone planned trips to Asia although, in Clinton's case, not before her major Asia policy address in Honolulu. The quarter ended with hints that Pyongyang really would return to six-party deliberations. It looks like arms control agreements are on the way back, following the announcement that the US and Russia had finally come to terms on a new strategic arms agreement. Speculation about the "changing balance of power" in Asia also continues as a result of China's economic resilience and newfound confidence, although it still seems premature to announce that the Middle Kingdom is back. Political normalcy also appears to be a long way from returning to Bangkok where the "red shirts" have once again taken to the street, prompting the government to declare a state of emergency.

US-Japan Relations: Many Issues, a Few Bright Spots
by Michael J. Green and Nicholas Szechenyi

Prime Minister Hatoyama moved to implement his domestic policy agenda with an eye toward the Upper House elections this summer but watched his approval rating fall. The impasse over the relocation of Marine Air Station Futenma continued to dominate the bilateral agenda and alternative proposals put forth by the Hatoyama government failed to advance the discussion. Concerns about barriers to US exports and the restructuring of Japan Post emerged in commentary by US political leaders, but a joint statement highlighting cooperation on the APEC forum reinforced the economic pillar of the relationship. The Toyota hearings in Congress did not have an immediate impact on relations, however, the recall issue and other developments point to negative perceptions that could cloud efforts to build a comprehensive framework for the alliance during the year.

US-China Relations: The Honeymoon Ends
by Bonnie Glaser and David Szerlip

After a relatively smooth period in US-China relations through the first year of the Obama administration, the "honeymoon" ended in the first quarter of 2010. The quarter began with Google reporting extensive hacking of its networks that was traced back to China. Then, it redirected Google.cn users to its Hong Kong site to evade Chinese censorship. Tensions were further stoked by the notification of a major US weapons sale to Taiwan and President Obama's meeting with the Dalai Lama. Economic frictions also intensified, particularly over the valuation of China's currency. Despite these difficulties, the quarter closed with the pendulum

swinging back toward the center. Obama and Deputy Secretary of State Steinberg reaffirmed the US commitment to a positive relationship; Beijing announced President Hu would attend the nuclear security summit in the US; and Obama and Hu renewed efforts to sustain healthy and stable ties.

US-Korea Relations: Nuclear South of the Border
by Victor Cha and Ross Matzkin-Bridger

The first quarter of 2010 set the stage for what should be a busy year in US-Korea relations. The Six-Party Talks remain stalled, although dire conditions in the North may force Kim Jong-il back to negotiations soon. While North Korea continues to demand concessions, the US shows no sign of caving in. In South Korea, there was a flurry of mixed signals on whether the transfer of wartime operational control (OPCON) to Seoul would go ahead as planned. Prospects for the US-ROK free trade agreement got a boost from the Obama administration. The issue of spent nuclear fuel reprocessing in South Korea has made its way to the forefront of US-Korea relations, where it will likely remain for some years.

US-Southeast Asia Relations: Denouement and Delay
by Catharin Dalpino

After banner initiatives in US policy toward Southeast Asia were unveiled in 2009, a loss of momentum in early 2010 was hardly surprising. President Obama's decision to delay his trip to Indonesia in March added to the impression of a slump in relations with the region. However, the US also moved forward on strengthening its interest in the TransPacific Trade Partnership and establishing a Permanent Mission to ASEAN. Despite Bangkok's ongoing political crisis, the US and Thailand implemented new rounds of two multilateral military exercises. The US and Vietnam signed a landmark Memorandum of Understanding on the development of civilian nuclear power facilities, a bilateral segue to the multilateral nuclear summit that Obama will host in mid-April.

China-Southeast Asia Relations: Trade Agreement Registers China's Prominence
by Robert Sutter and Chin-Hao Huang

The China-ASEAN Free Trade Agreement (CAFTA), inaugurated on Jan. 1, marked the highlight of a quarter featuring otherwise slow Chinese-Southeast Asian interaction. In a visit receiving low-key and delayed treatment in Chinese media, State Counselor Dai Bingguo traveled to ASEAN headquarters in Jakarta to give a speech in late January that highlighted the positive aspects of Chinese-ASEAN relations as well as important elements in China's policy in Asia. Included in foreign assessments of China's rising prominence in Southeast Asia was a hearing by a US congressional commission. Chinese statements this quarter expressing strong differences with the US thus far have not shown much impact on Chinese relations with Southeast Asia.

China-Taiwan Relations: ECFA and Domestic Politics

by David G. Brown

The interaction between economic negotiations and Taiwan domestic politics will dominate cross-Strait relations this year. Formal negotiation of an Economic Cooperation Framework Agreement (ECFA) began in January and both sides now talk hopefully of completing the negotiations by June. On Taiwan, recent election losses make timely and successful conclusion of the ECFA important for President Ma Ying-jeou and the Kuomintang party's political fortunes. The announcement of a US arms sales package in January was welcomed by Ma, but predictably created tensions in US-China relations – tensions that raise the stakes when Taiwan makes its next request.

North Korea-South Korea Relations: Torpedoed?

By Aidan Foster-Carter

2010 is a year of anniversaries on the Korean Peninsula, many of them miserable. One such event, the 10th anniversary of the first-ever inter-Korean summit looks unlikely to see much celebration. The quarter began well enough as New Year's messages from both sides sounded a positive tone. By the end of January, the North had reverted to its more customary mode of threatening fire and brimstone, although it was not entirely unprovoked as there were indications that the US and the ROK were planning for "collapse scenarios." Meanwhile, the bickering over their two cross-border joint ventures in Kaesong and Mt. Kumgang continued. By the end of the quarter, the North was threatening to confiscate Southern assets at Mt. Kumgang and a mystery explosion that sank an ROK Navy ship in disputed waters off the West coast left both militaries on heightened alert.

China-Korea Relations: Fire Sale, Hot Money, and Investment Anxieties

by Scott Snyder and See-won Byun

China and North Korea sustained high-level contacts during the quarter, but there seems to be little to show for them. North Korea's major push to attract foreign investment appears to involve deals that Beijing has claimed do not violate UN resolutions toward the North. Meanwhile, Chinese leaders presented a positive outlook for the resumption of Six-Party Talks. China's lead representative to the Six-Party Talks Wu Dawei stated that talks might resume before July this year in light of favorable diplomatic contacts with Pyongyang. Foreign Minister Yang Jiechi expressed support for improved inter-Korean and US-DPRK ties. China and South Korea pledged to strengthen their strategic cooperative partnership.

Japan-China Relations: All's Well that Ends Well

by James J. Przystup

The final report of the Japan-China Joint Study of History project was released at the end of January. While differences remained over Nanjing and postwar history, both sides expressed satisfaction with the effort and committed to follow-on studies. At the same time, efforts to reach an implementing agreement on joint development in the East China Sea failed to make progress. Even the decline to single-digit growth in China's 2010 defense budget was met with skepticism and calls for greater transparency in Japan. Meanwhile, China protested Japan's appropriations to support conservation and

port construction on Okinotorishima. Then, with hopes fading in Japan for a resolution of the incident, Chinese authorities at the end of March announced the arrest of a former employee at the Tianyang Food Plant in Hebei Province who admitted that he had injected pesticide into the frozen *gyoza*.

Japan-Korea Relations: Same As It Ever Was

by David Kang and Ji-Young Lee

Korea-Japan relations have foundered over territorial and historical disputes for quite some time. Yet, we dutifully report the latest claim, the latest protest against that claim, while also reporting increased trade, travel, and institutional relations. How consequential are these territorial disputes? The mere fact that Japanese and Koreans think they are important enough to alter textbooks and put claims on the Foreign Ministry website makes them consequential. However, one could make an argument that despite the *sturm und drang* over who owns Dokdo/Takeshima, those affairs have not yet led to different policies in other areas, and certainly nobody thinks the territorial disputes might lead to actual war. Therefore, the real importance of these issues is an intriguing question that occurs to us as we, yet again, write about the same issues.

China-Russia Relations: Putin Invited Xi: Overture to 2012

by Yu Bin

For most of the first quarter, "uneventful" was the best description for bilateral relations between Russia and China. This is especially true when contrasted with the high-profile events in 2009. Only in late March, with the five-day visit by Chinese Vice President Xi Jinping to Russia, was there a return from mutual "hibernation" and an "obsession" with the Obama administration's policies, though for different reasons. Prime Minister Vladimir Putin's invitation was also seen as a "back-to-the-future" effort to size up Xi, who is poised to assume the leadership spot in China by 2012.

Special Assessment: Asian Regionalism: New Challenges, New Visions, Pedestrian Progress

by Amy Searight

The past year and a half has seen a slight shift in the momentum and direction of Asian regionalism. While the signing of regional free trade agreements continues and discussions on regional cooperative mechanisms proceed, the perceptions and political goals of many in the region have been recalibrated in the face of new challenges and opportunities. By far, the biggest challenge was the global economic crisis, which had a mixed impact on Asian regionalism. New opportunities arose with the election of new political leaders in Australia, Japan, and the US, each of whom placed regional initiatives high on their political agenda. Tangible cooperation in regional frameworks, both trans-Pacific and East Asian, has been meager at best. The global economic crisis gave rise to the G20 that, while elevating the symbolic weight of Asian economies in global governance, has also created institutional competition for regional frameworks. Regional economic integration faces emerging and unresolved challenges, while effective frameworks for multilateral security cooperation remain elusive.