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Regional Overview: U.S.-Asia Policy: Better than it Sounds? by Ralph A. Cossa and Jane Skanderup

Washington's relations in the region generally ended the year better than they began. The North Korea situation appeared more hopeful than at this time last year. ROK President Roh Moo-Hyun reaffirmed his support for the U.S.-ROK alliance and agreed to send a second contingent of ROK forces to Iraq. Japan also announced the deployment of Self-Defense Forces to Iraq. U.S.-PRC relations continue to be described as the "best ever" despite apparent efforts by Taiwan President Chen Shui-bian to stir the pot. U.S.-ASEAN relations were somewhat enhanced by President Bush's swing through Southeast Asia in October. Bush's trip "down under" demonstrated the solidarity of the U.S.-Australia alliance despite public opposition to his decision to invade Iraq earlier in the year. Economic growth resumed for the U.S. and Asia in the third quarter and hopes are rising as the Year of the Monkey approaches.

U.S.-Japan : Mr. Koizumi's Mandate by Brad Glosserman

Prime Minister Koizumi "victory" in Japan's Nov. 7 ballot was the big event in U.S.-Japan relations this quarter. The ruling coalition's win was a stamp of approval for Tokyo's support of the U.S.-led invasion of Iraq and the controversial decision to send Self-Defense Forces to assist the postwar reconstruction of that country. The Japanese public is less than enthusiastic about U.S. policy in the Middle East, but the election results seem to validate the prime minister's support for President Bush and Koizumi's efforts to keep pushing the envelope on security policy. There are signs that Tokyo is learning to use the language of national interest instead of merely saying that is acting "as a good partner should."

U.S.-China: Wen Jiabao's Visit Caps an Outstanding Year by Bonnie S. Glaser

The year 2003 closed with two high-level visits. Chinese Premier Wen Jiabao was received at the White House with a 19-gun salute. Wen cemented the visit's success when President Bush rebuked Taiwan President Chen Shui-bian for seeking to change the status quo in the Taiwan Strait. But there was little progress made on important issues such as China's burgeoning trade surplus with the U.S. and North Korea's nuclear weapons. Chinese Defense Minister Cao Gangchuan was hosted by Defense Secretary Donald Rumsfeld. Presidents Bush and Hu Jintao met early in the quarter on the sidelines of the APEC summit.

U.S.-Korea: Now You See 'Em, Now You Don't: Elusive Six-Party Talks by Donald G. Gross

The U.S., South Korea, and Japan sparred with North Korea over the content of an agreed joint statement for the

negotiations. Despite President Bush's willingness to provide written multilateral security assurances and other unspecified benefits to North Korea in exchange for "coordinated steps" toward nuclear *dismantlement*, Pyongyang stuck to its familiar approach. North Korea confirmed on Dec. 27 that it would participate in a second round at an early date in 2004 "to continue the process for a peaceful solution to the nuclear issue." To strengthen the U.S.-Korea alliance, South Korea agreed to dispatch 3,000 troops to assist U.S.-led coalition forces in Iraqi reconstruction. The U.S. and South Korea could not agree on redeployment plan for 1,000 U.S. troops in Seoul. On the trade front, South Korea welcomed President Bush's decision to lift steel tariffs even as it appealed to the World Trade Organization a decision by the ITC to impose punitive tariffs on semiconductors.

U.S.-Russia: A Chilly Fall for U.S.-Russia Relations

by Joseph Ferguson

While leaders in the United States and Russia profess a continuing partnership in the war on terrorism and foster a growing energy relationship, strains have become apparent this quarter with the arrest of oil magnate Mikhail Khodorkovsky, and following the parliamentary elections in Russia, in which the pro-Putin United Russia Party gained a major victory. The U.S. government questioned the fairness of the elections. Other, more usual, complicating factors have caused some friction: Chechnya, Central Asia, and Iraq. But in three areas Russia and the U.S. continue to cooperate: nonproliferation, energy, and the war on terrorism. It remains to be seen how long the two nations can continue to smooth over frictions in the quest to cooperate on strategic issues.

U.S.-Southeast Asia: President Bush Presses Antiterror Agenda in Southeast Asia by Sheldon W. Simon

The Bush administration's most significant achievement following the president's October attendance at the APEC summit and visits to Thailand, the Philippines, Singapore, and Indonesia has been to broaden APEC's agenda to incorporate security issues in parallel to trade and investment. The president praised Thai, Philippine, and Singaporean assistance for the reconstruction of Iraq and Afghanistan and promised additional military and economic aid to Bangkok and Manila. Indonesia and Malaysia continue to express concerns about U.S. policy in Iraq and the U.S. war on terror, seeing the latter as anti-Muslim and the former as unilateral, preemptive, and disproportionately military. Thus, U.S. security policy may be splitting ASEAN with respect to the war on terror.

China-Southeast Asia: A New Strategic Partnership is Declared by Lyall Breckon

China's leaders made the most of the fall summit season, playing vigorous roles in "ASEAN-plus" meetings in Bali in early October, and in the APEC summit in Bangkok later that month. China and the 10 ASEAN governments declared a "strategic partnership for peace and prosperity," where China

formalized its accession to ASEAN's Treaty of Amity and Cooperation, renouncing the use of force in the region in favor of negotiation and consultation. Strategic partnership is to include, among other things, ambitious new goals for increasing trade, and a new security dialogue. Reacting to the perception that China is soaking up nearly all the foreign direct investment flowing to Asia, Beijing promised to increase investment in Southeast Asia.

China-Taiwan: Strains over Cross-Strait Relations

by David G. Brown

Taiwan President Chen Shui-bian continued to press his proposals for referenda and plans for a new Taiwan constitution in the campaign for the presidential election next March. Beijing tried to respond to his moves at a low level, but the prospect of a new law permitting referenda on sovereignty issues forced Beijing to heighten its rhetoric and appeal to Washington. When Chinese Premier Wen Jiabao visited, President Bush made clear his concerns about possible steps by Chen to unilaterally change the cross-Strait status quo. Nevertheless, Chen announced he would proceed with his plan for a referendum next March. The campaign will continue to determine the temperature of cross-Strait relations and the outcome will have a major impact as the two candidates' approaches to China differ markedly.

North Korea-South Korea: Simulacrum or Substance?

by Aidan Foster-Carter

The final quarter of 2003 saw no dramatic developments in inter-Korean ties. Rather, the picture was one of steady interaction across a now established range of contacts; there is far more going on now between the two Koreas than four years ago – let alone in the preceding half-century. It suggests that at long last North-South relations have become institutionalized and firmly rooted. The on-off pattern of the past looks to have been superseded by permanent and continuous interaction, if still somewhat shallow. This de facto normalization has occurred during, and despite, the still unresolved nuclear crisis. But it may yet pose an obstacle to deepening inter-Korean relations.

China-Korea: No Shows, Economic Growth, and People Problems

by Scott Snyder

With diplomatic planning for six-party talks, a post-SARS bump, and a 40 percent rise in bilateral ROK-PRC trade, 2003 was a banner year for China-ROK high-level exchanges and trade relations. Booming economic growth in the PRC has driven and in some cases overtaken the Korean economy. Although this has benefited ROK exports, China has become the de facto regional hub for Northeast Asian and Korean trade despite Korea's aspirations to play that role. The quarter also had incidents that raise questions about whether the two countries can manage diplomatic hot potatoes.

Japan-China: Cross Currents

by James J. Przystup

In October, Japanese Prime Minister Koizumi met China's Premier Wen Jiabao and President Hu Jintao, renewing commitments to enhance cooperation in the bilateral relationship. China's leaders, however, made clear that a proper understanding of history is central to the relationship. Economic and financial relations continued to expand and diversify. But Japan's expanding private sector presence on the mainland had to deal with Chinese national sensitivities

and the burdens of history. Meanwhile, the repercussions of a Fukuoka murder committed by Chinese students; of the September Zhuhai sex orgy involving a Japanese business tour group; and of a Chinese rampage at Xian's Northwest China University following a dance performed by Japanese students crystalized nationalist sentiments in both countries.

Japan-Korea: It's the Economy (and Culture), Stupid

by Victor D. Cha

The real action in Japan-South Korea relations this quarter was not over North Korea, but in the realm of economics and culture where a number of positive developments emerged. Meanwhile, the protracted nadir in Japan-North Korea relations has had permanent, lasting effects on Japan's future security profile in the region. The North Koreans lately are fond of telling Americans that the U.S. and Asia should grow accustomed to the prospects of living with a nuclear North Korea. Such an outcome is undesirable and hopefully untrue. But the statement underscores an alternate proposition: as a result of North Korean intransigence, Asia will have to live with the permanent reality of a militarily more "normal" Japan that is not deterred from initiating punitive actions against others, and is also unlikely to ever roll back these capabilities.

China-Russia: Living With Normalcy

by Yu Bin

Relations between Moscow and Beijing in the last months of 2003 were uneventful and unenthusiastic. Chinese Foreign Minister Li Zhaoxing mentioned Russia only in passing in his year-end review of China's diplomacy, while relations with India and Pakistan were given more significant space. Even the Korean nuclear crisis became less alarming, as Washington was absorbed by the bloody peace in Iraq and the beginning of the presidential race at home. Without eye-catching events, attention was given to secondary issues in social, economic, and cultural areas. Meanwhile, top leaders from both countries tried to find ways to inject new momentum into the otherwise normal relationship between the two "strategic partners."

U.S.-India and India-East Asia Relations: Delhi's Two-Front Diplomacy

by Satu Limaye

The past two years have been especially full for India's diplomacy. U.S.-India relations were preoccupied with getting Pakistan to carry out its commitments, preventing further escalation or miscalculation of the crisis, initiating a political process in Jammu and Kashmir, and nudging India and Pakistan toward dialogue. Simultaneously, the U.S. and India worked to transform their relations through enhanced defense cooperation, improved trade, and wider political and security consultations. On both counts, the U.S. and India made progress. India also sought to improve relations with China, while building on improved relations with Southeast Asia, and to a lesser extent Japan.