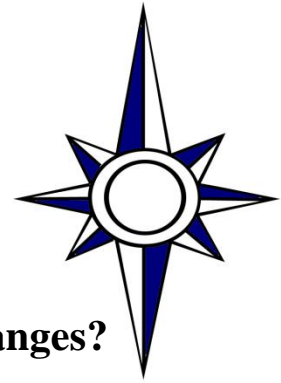


# Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



## Regional Overview:

### US Profile Rises, China Image Falls, North Korea Changes?

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The US profile in Asia appears to be on the rise following Secretary of State Clinton's highly publicized presentation at the ASEAN Regional Forum (ARF) ministerial in Hanoi in July and President Obama's New York meeting with ASEAN leaders at quarter's end. Meanwhile Beijing's image took a few hits as it tried to bully Japan (successfully), the US and ROK (unsuccessfully), and ASEAN (TBD) on maritime-related issues, while seemingly having nothing but kind thoughts and gestures for the DPRK, essentially serving as its defense attorney during UN Security Council deliberations regarding the attack on the *Cheonan*. Prospects for a resumption of Six-Party Talks remained low, despite a professed willingness by Pyongyang to return to the table (albeit as a recognized nuclear weapon state). New faces appeared in the North's general officer ranks but the (seemingly nonexistent) prospects for Korean Peninsula denuclearization remained unchanged.

Meanwhile, democracy marches on, one step forward in Japan and two backward in Burma/Myanmar, while Washington seeks greater economic integration in Asia, not just through traditional vehicles such as the Asia Pacific Economic Cooperation (APEC) "gathering of economies," but through the "gold standard" Trans-Pacific Partnership (TPP). The US profile is expected to grow further next quarter with President Obama and Secretary Clinton both scheduled for high-profile visits to the region. We'll see what Beijing does to improve its image; we expect little progress when it comes to Pyongyang.

#### North Korea: the more things change, the more they remain the same

The post-*Cheonan* era has clearly not yet begun, at least as far as the still moribund Six-Party Talks are concerned. Wisely or not, Seoul seems to have hinged resumption of the Talks (and almost everything else, other than humanitarian assistance) on a North Korean apology for the *Cheonan* attack, which does not appear forthcoming. While this stance has drawn criticism elsewhere, thus far it has drawn no complaints from Washington, which continues to firmly stand behind the ROK.

Beijing, meanwhile, continues to be the strongest advocate for a resumption of dialogue, arguing publicly that Pyongyang is now ready to come back to the table. Following Kim Jong-il's visit to China in late August – his second trip in less than four months – China's *Xinhua News Agency* announced that the North Korean leader had assured Chinese President Hu Jintao that he sought an "early resumption" of the Talks. The North was less specific, although earlier – in August, after a visit by Chinese envoy Wu Dawei – (North) *Korean Central News Agency (KCNA)* reported the two sides had discussed "matters of mutual concern including the resumption of the

Six-Party Talks and the denuclearization of the whole Korean Peninsula,” and that they had “reached a full consensus of views on all the matters discussed” . . . without saying what that consensus was.

Coming back to the table is one thing; denuclearization is another. Privately, Chinese interlocutors (including senior officials) acknowledge that the prospects of the DPRK giving up its nuclear weapons – the stated purpose of the Six-Party Talks – are slim to none as long as Kim Jong-il is alive. It seems that for Beijing, however, the mere *appearance* of progress would be enough, especially if China was seen at the middle of it, coaxing all players along. As alluded to above and expanded upon shortly, China’s image is in need of some uplifting and a resumption of the Talks, even if they went nowhere (perhaps especially if they went nowhere), would suit Beijing just fine.

Not so for Washington and Seoul! Spokesmen for both governments have made it clear that the two allies are in no rush to resume talks unless and until there is some sign that Pyongyang is serious about denuclearization. As Deputy Secretary of State James Steinberg noted at a Woodrow Wilson Center forum in late September, “There is simply little value in moving forward without some very concrete indication that the North Koreans are interested in implementing the 2005 statement” (which laid out the plan for denuclearization and broader regional cooperation). Talk for the sake of talking, or to “buy the same horse twice,” is not in the cards, as far as Washington and Seoul are concerned.

Pyongyang made its own views clear at the UN General Assembly in late September when Vice Foreign Minister and UN Permanent Representative Pak Kil-yon declared: “As a responsible nuclear weapon state, we are willing to join in the international efforts for nuclear non-proliferation and safe management of nuclear material on an equal footing with other nuclear weapon states.” While Pak did not specifically mention the North’s intention to return (or not) to the Six-Party Talks, numerous DPRK spokesmen have indicated that should talks (bilateral or multilateral) occur, the first order of business in any such dialogue should be discussion of a “peace regime” with the United States, to demonstrate US “sincerity” and an end to its “hostile policy” toward Pyongyang.

Pak did indicate that his government would “react to dialogue with dialogue,” while cautioning: “If the U.S. comes to dialogue with ‘sanctions,’ we will also participate in dialogue with bolstered nuclear deterrence.” Pak was also vague regarding the nature of the dialogue: bilateral between the DPRK and US, or involving all six parties. Pyongyang prefers the former exclusively while Beijing is pushing for an informal US-DPRK session to help jumpstart the next round of Six-Party Talks. Those grasping for a silver lining could read this as a relaxation of Pyongyang’s earlier demand that sanctions be lifted before any dialogue could begin. Nonetheless, the North’s insistence on being treated as a nuclear weapon state and on having a bilateral peace accord with Washington in advance of denuclearization make the prospects for a resumption of serious talks unlikely.

#### *Laying the groundwork for leadership transition*

Meanwhile, it seems clear to all that Pyongyang’s primary focus is internal. Its much-anticipated Workers’ Party Conference took place on Sept. 28 (after an unexplained delay of a few weeks:

speculation ranged from “floods” to difficulties in reaching consensus on the main business of the conclave). As expected, it proved to be a “coming out party” for number three son, Kim Jong-un (sometimes Kim Jong-eun), who was elevated to vice chairman of the Party’s Central Military Commission; a post that appears to have been created just for him. This sets the stage for him to replace his father once he dies or becomes incapacitated, which, given his ill health, could come sooner rather than later ... but it’s really anyone’s guess (and when it comes to North Korea, we’re all guessing).

The day before the meeting, Kim Jong-un was promoted to general, along with his aunt, Kim Kyong-hui, who is Kim Jong-il’s sister. In June, his uncle and Kyong-hui’s husband, Jang Song-taek, who is widely assumed to be the “regent” who will be responsible for tutoring and guiding Kim Jong-un if leadership duties are suddenly thrust upon him, was made the vice chairman of the National Defense Commission.

Little is known about the 27-(or 28 or 29) year old “Young General” as he is sometimes referred to (he does not yet seem to have an official or agreed upon moniker like Great Leader or Dear Leader), but at least everyone has now seen a more recent picture; he seems to strongly resemble his late grandfather, Kim Il-sung, which may be the best thing he has going in his favor. How much power the third Kim has, or will have, is unclear. Most observers think that the elevation of the other family members is preparation for a regency that will preserve the family’s power. Whether the transition will change North Korean policy is another open question: again, most observers don’t anticipate any significant shift. Even those who speculate that Kim Jong-un (or regent Jang Song-taek) may be more open to the “Chinese model” of economic reform, see little prospect for change when it comes to denuclearization or human rights. Pyongyang’s behavior will likely remain as opaque and belligerent as before as we all wait for Kim Jong-il to die and worry about what Kim Jong-un may try to do to establish his own *bona fides*.

*Can “strategic patience” be sustained?*

While there has been some rumblings to the contrary, Washington and Seoul still seem content to continue a policy of “strategic patience,” based on the assumption that Kim Jong-il has no intention of giving up nuclear weapons in his lifetime. But, while Pyongyang does not seem to mind (and may even relish) being branded an international renegade and appears capable of weathering UNSC sanctions (probably with Chinese back-door support), what it seems to object to most is being ignored. As the quarter ended, commercial satellite imagery was showing apparent construction activity at North Korea’s Yongbyon nuclear site in an area near the cooling tower that was demolished in 2008 as a demonstration of Pyongyang’s “irreversible” commitment to denuclearization. At best, it’s an attention-getting device. At worst, it represents an attempt to restart plutonium production at Yongbyon, although it remains to be seen if they could actually reactivate the reactor.

### **China spouts off . . . .**

Meanwhile, China lived up to our last quarter’s description as being “part of the problem” as it insisted on watering down the outcome of UN Security Council deliberations on the *Cheonan* even beyond the marginally acceptable formulation negotiated with the Russians during last

quarter's G8 meeting. While the US and ROK tried to put the best possible spin on the outcome – Secretary Clinton asserted that the UNSC Presidential Statement “sends a clear message [to North Korea] that such irresponsible and provocative behavior is a threat to peace and security in the region and will not be tolerated” – it was sufficiently vague and non-accusatory (even noting North Korea's declaration of innocence), that Pyongyang declared it a “great diplomatic victory.”

What followed was the first in a series of maritime-related acts of heavy-handed diplomacy and blustering by Beijing that had people openly wondering “*Whatever happened to ‘peaceful rise’?*” Washington and Seoul, upon realizing that a strong diplomatic message was not going to be sent to Pyongyang, proceeded with plans to conduct a series of “show of force” military exercises to demonstrate their resolve and thus hopefully discourage future North Korean adventurism – an action made necessary, we hasten to point out, by China's protection of Pyongyang at the UNSC. Naval exercises were to be conducted off both coasts of the Korean Peninsula, beginning with a major exercise involving the *USS George Washington* aircraft carrier battle group off the east coast. There were reports – unconfirmed and apparently incorrect – that the carrier would deploy to the west coast as well.

That's when the madness began. Chinese People's Liberation Army (PLA) spokesmen (and other senior military officers who chose to speak) expressed outrage, proclaiming they “resolutely oppose any foreign military vessel and aircraft conducting activities in the Yellow Sea and China's coastal waters that undermine China's security interests.” China's coastal waters? Since any west coast exercise would likely take place in or adjacent to South Korean waters, somewhere in the general vicinity of the sinking of the *Cheonan*, this places it about 120 miles (roughly 195 kilometers) away from the closest Chinese landmass on the Shandong Peninsula and 175 miles (280 kilometers) from the closest city of any significance, Dalian.

These facts of geography notwithstanding, one PLA commentator warned of a possible “collision” between US/ROK and PLA Navy ships, while another threatened “If someone harms me, I must harm them.” Since when is operating in or near South Korean coastal waters – the Yellow Sea touches the North and South Korean as well as the Chinese coast – threaten China or do it harm? Do US (or ROK) ships have to get Chinese permission to sail in international waters significantly closer to the Korean mainland than to China? This is, of course, preposterous on its face, and the US Navy – which ironically had deployed the *USS George Washington* into the Yellow Sea last October with scarcely a peep – now felt compelled to send major surface combatants (no doubt eventually to include another visit by the *USS George Washington*) to the western side of the Peninsula just to remind the PLA of the meaning of international waters, not to mention the time-honored principle of freedom of the seas.

#### **. . . . and flexes its muscles**

If Beijing failed to deter Washington and Seoul from conducting naval operations in the West Sea (to use Seoul's term for that body of water), it did not itself feel deterred from flexing its muscles (and money) against Tokyo after the Japanese had the temerity to arrest a Chinese fishing boat captain after he allegedly deliberately rammed Japanese Coast Guard ships in disputed waters near the Senkaku Islands (called Daiyotai by the Chinese).

In many ways, the particulars of the Japan-China confrontation are irrelevant. While legal scholars debate exactly where the Chinese fishing boat was located, what the protocol for Japanese patrols is, which vessel initiated contact, etc., the dispute over the islands reduces to two basic facts: Japan controls the islands and China claims them. As long as that situation persists, the islands will be an issue, a source of tension, and sometimes even the cause of a crisis between the two.

In his chapter on Japan-China relations, Jim Przystup explains the details of the most recent dustup. For our purposes, there are three key points. First, the prevailing sentiment in Tokyo is that the incident was a deliberate provocation by China to test the new government in Tokyo. For many Japanese, even those who have no interest in the islands, their government “caved in” to Chinese political and economic pressure, which included not only intense diplomatic pressure but also the cancellation of several planned visits and meetings, the detention of Japanese citizens on unclear charges, and a suspected cutback in exports of rare earth metals to Japan.

The Japanese public’s response in many ways resembles the controversy over Prime Minister Koizumi’s visits to Yasukuni Shrine: even Japanese who didn’t approve of the visits didn’t think their leader should be told what to do by Beijing. For many other observers, Japan handled this just about right. The government confirmed its claim to the territory, maintained a steady course, and then released the captain to defuse the crisis – a sharp contrast to Beijing’s steady escalating belligerence. That behavior has had an impact on public opinion in Japan: one opinion poll at the end of September showed that 70 percent of Japanese consider China a threat.

Second, China’s demands for the return of the ship, the crew, the captain, and then its call for an apology smack of bullying. For a government that insists on the need to maintain “face” and on diplomatic solutions to almost every problem, Beijing’s behavior seemed hypocritical. China’s treatment of fishing boats found in its waters underscored the inconsistency in its diplomacy. The assertiveness of its claim and its tone, when coupled with similar outbursts over similar disputes – the aforementioned demand that the US not send an aircraft carrier into the Yellow Sea and the soon to be mentioned US call for mediation over disputes in the South China Sea at the ARF meeting – have alarmed many of China’s neighbors who have their own disagreements with Beijing over territory. Even South Korean interlocutors, who normally instinctively support China whenever it has a disagreement with Japan, were quick to express support and sympathy for Tokyo in the face of China’s hard-nosed response.

Finally, the standoff should end (again) any confusion about the US response to such a crisis. US officials repeated longstanding US policy: while the US takes no position on the sovereignty of the islands *per se*, it is clearly committed to defending them as they are territory “administered by Japan” and hence subject to the bilateral security treaty. The US also used the incident to quell suspicions in Tokyo about US commitments. Vice President Joseph Biden said that US efforts to improve relations with China “go through Tokyo,” reminding Japanese and Chinese that Washington puts its allies first. Biden was responding to – and dismissing – concerns that “the critical importance” of the US-China relationship in any way signaled a downgrading of Japan’s importance for the US. That should reassure Japan – until the next time Tokyo feels insecure.

## South China Sea: ‘national’ vs. ‘core’ interests

A third maritime-related war of words erupted over Secretary Clinton’s remarks at the July ARF meeting that “the United States, like every nation, has a national interest in freedom of navigation, open access to Asia’s maritime commons, and respect for international law in the South China Sea.” She further noted that “consistent with customary international law, legitimate claims to maritime space in the South China Sea should be derived solely from legitimate claims to land features.” She expressed Washington’s support for a “full code of conduct” building upon the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea (DOC), further noting that the Obama administration was “prepared to facilitate initiatives and confidence-building measures consistent with the declaration.” (It was probably not mere coincidence that the *USS George Washington* showed up in Vietnamese waters a few weeks later to underscore the freedom of the seas message.)

Secretary Clinton’s Hanoi statement should have come as a shock or surprise to absolutely no one; it repeats longstanding US positions on freedom of the seas, peaceful settlement of disputes, and support for a more binding Code of Conduct to prevent misunderstandings or crisis in the South China Sea. Beijing apparently did not see it that way! When the subject of the South China Sea was raised at the ARF meeting – reportedly by no less than 12 of the ministers present, including Secretary Clinton – Chinese Foreign Minister Yang Jiechi reportedly left the room for an hour – (apparently to get marching orders from Beijing) and then came back and expressed outrage both over the topic being raised and over US “meddling” or “internationalizing” a bilateral issue that was none of its business, reportedly accusing Washington of plotting against China over the issue. In an apparent attempt at intimidation, he reportedly also noted that “China is a big country and other countries are small countries, and that is just a fact,” while allegedly reminding his Southeast Asian counterparts of their countries’ economic ties with China. Rumor has it that Beijing had contacted ASEAN members in advance of the meeting to urge (warn?) them to steer clear of what China had previously identified as its “core interest” in the South China Sea.

Many ASEAN representatives, both publicly and privately, commended Secretary Clinton for her strong comments on US national interests and the nature of territorial claims, which could be seen as refuting the infamous dotted lines on a 14<sup>th</sup>-century Chinese map that Beijing claims helps prove its “indisputable sovereignty” across the whole of the South China Sea. Strangely enough, her Philippine counterpart, Foreign Secretary Alberto Romulo (a holdover from the prior Arroyo administration) was not among them, asserting that the US – a treaty ally of the Philippines – should not be involved: “It’s ASEAN and China. Can I make myself clear? It’s ASEAN and China. Is that clear enough?”

Less well publicized were remarks by his boss, new Philippine President Benigno Aquino, speaking in his role as the ASEAN convening chair for the ASEAN-US relationship at the second ASEAN-US Leaders Meeting in late September in New York: “Today the issue that occupies a growing concern is the competing territorial claims within the South China Sea.” Renewing Manila’s commitment to the DOC, Aquino added that his administration “strongly supports the drafting of a formal code for the South China Sea in which claimants vow to adhere

to diplomatic processes to resolve territorial disputes. I believe this is consistent with Secretary of State Hillary Clinton's pronouncements on the South China Sea made just in July of this year, supporting collaborative diplomatic processes."

Aquino was even more direct when speaking the day before to members of the Council on Foreign Relations: "If China does push its weight around [on the South China Sea dispute], we as ASEAN will stand as a bloc and oppose that. Hopefully, we won't have to call it the South China Sea because it is not just their sea." Is that clear enough?

### **(Other) business as usual at the ARF**

Take away the South China Sea drama and it was a pretty routine ARF meeting. Unlike last year, North Korean Foreign Minister Pak Ui-chun showed up, but did not meet bilaterally with Secretary Clinton. He did successfully lobby his ASEAN counterparts not to brand Pyongyang as the guilty party in the *Cheonan* affair; the Chairman's Statement merely "expressed deep concern" over the sinking of the *Cheonan*, indicating that it "resulted from the attack on 26 March 2010" but not mentioning the DPRK. As always, it also called for "the complete and verifiable denuclearisation of the Korean Peninsula and encouraged the parties to return to the Six Party Talks."

The ministers adopted the Ha Noi Plan of Action for the ARF and welcomed the accession of Canada and Turkey to ASEAN's Treaty of Amity and Cooperation, while opening the door for EU accession through an amendment that allows "regional organisations whose members are only sovereign states, like the EU, to accede to the TAC." They also "reiterated the importance of [Myanmar] holding the general election in a free, fair, and inclusive manner."

The ministers did not avoid talking about the South China Sea, stressing "the importance of maintaining peace and stability" while reaffirming the continuing importance of the DOC as a "milestone document between ASEAN Member States and China, embodying their collective commitment to ensuring the peaceful resolution of disputes in the area." They also called for the "eventual conclusion of a Regional Code of Conduct in the South China Sea."

Finally, the ministers supported ASEAN's decision to invite Russia and the US to join the ASEAN-led East Asia Summit (EAS). Secretary Clinton announced her intention to attend the 2010 EAS meeting in Hanoi in October to accept the group's invitation, with President Obama on tap to participate for the first time at the 2011 EAS. During a speech at the Council on Foreign Relations in Washington DC on Sept. 8, Secretary Clinton highlighted her intention to go to the EAS. Her prepared text noted that the US will be "encouraging its development into a foundational security and political institution for the region, capable of resolving disputes and preventing them before they occur." The "as delivered" text omitted the "capable of" clause, perhaps due to time constraints, or perhaps because a sense of realism crept in prior to delivery.

### **Obama bonds with (most) ASEAN leaders**

Continuing a precedent he started last year in Singapore – one that President Bush had tried to institute a few years back – President Obama met with assembled ASEAN leaders at the Second

US-ASEAN Leaders Meeting in New York City along the sidelines of this year's UN General Assembly meeting. It was an extremely positive encounter, as both sides "welcomed the idea to elevate our partnership to a strategic level and will make this a primary focus area." The only leader not to attend, besides Myanmar's prime minister who by mutual agreement does not attend such events, was Indonesia President Susilio Bambang Yudhoyono (or SBY, as he is frequently called). This was disappointing but not surprising. Obama had three times scheduled and then postponed visits to Indonesia and SBY would have left himself open to severe domestic criticism if he came calling once again on the US president before Obama made it to Jakarta.

At the NY meeting, President Obama essentially committed himself to two future visits to Indonesia, first in November as part of his Asia tour to India, Korea (for the G20 Summit), and Japan (for the APEC Leaders Meeting), and again in 2011 for the Third U.S.-ASEAN Leaders Meeting and his first EAS appearance, both hosted by Indonesia as the next ASEAN chair.

In Manhattan, everyone was watching to see what, if anything, the assembled leaders would say about the South China Sea. It was clearly discussed and, as noted earlier, President Aquino did not shy away from making direct reference to the disputed territory in his remarks at the Leaders Meeting and elsewhere in New York. But the Joint Statement skirted the issue, merely noting that the leaders "reaffirmed the importance of regional peace and stability, maritime security, unimpeded commerce, and freedom of navigation, in accordance with relevant universally agreed principles of international law, including the United Nations Convention on the Law of the Sea (UNCLOS) and other international maritime law, and the peaceful settlement of disputes."

The White House was more specific in its "Read-out of President Obama's Working Luncheon with ASEAN Leaders," noting that "The President and the leaders also agreed on the importance of peaceful resolution of disputes, freedom of navigation, regional stability, and respect for international law, including in the South China Sea." Beijing, appropriately, had little to say one way or the other regarding the US-ASEAN meeting.

## **Democracy marches on**

*One step forward . . .*

Japan has had three prime ministers in a year, confounding hopes that the Democratic Party of Japan's historic victory in last year's parliamentary ballot would transform national politics. Fortunately, Prime Minister Kan Naoto may be able to restore stability after fending off former DPJ General Secretary Ozawa Ichiro in the party presidential election held in September.

Remarkably, Ozawa, after stepping down in tandem with former Prime Minister Hatoyama Yukio (some assert, as a condition of his resignation), challenged Kan for party and national leadership. Even more remarkably, Hatoyama then endorsed Ozawa's candidacy! Up to voting day, the race looked like a dead heat, but Kan prevailed in a whopping 721-491 win. (Take that, pundits!)



Kan then reshuffled the Cabinet. For our purposes, the big change was giving Maehara Seiji the foreign affairs portfolio and moving the previous foreign minister, Okada Katsuya, to DPJ secretary general. Maehara is considered more of a hardliner than Okada, who while undoubtedly left-leaning in sentiment, got high marks from the ministry for being open minded and a quick study.

The overall impression is that the new government has abandoned Hatoyama's "plan" to rebalance Japan's relations with the US and Asia and has moved closer to Washington. While that represents, in our minds, a misreading of Hatoyama's thinking, DPJ leaders have recognized that putting alliance reform front and center is a high-risk, low-reward strategy, especially when China appears to be flexing its muscle. The new government has embraced the LDP status quo when it comes to Okinawa (at least rhetorically – it will be interesting to see if it deals with the island the same way, that is by kicking tough issues down the road). In conversations in China, frustration with Tokyo is palpable: in one discussion, the new government was called even more hardline than the LDP.

*. . . and two steps back*

There was considerable activity this quarter as Burma prepared for its first election in 20 years. The vote is scheduled to be held Nov. 7. Not only did formal politicking begin in early October, but the country's leaders made several trips abroad to shore up political support from key allies. No one is expecting a free and fair election.

The opposition National League for Democracy (NLD), which won the last ballot – thereby putting the kibosh on genuinely free elections – has boycotted the vote, claiming that the election will be unfair and undemocratic. It points to the banning of its leader, Daw Aung San Suu Kyi, from running as a result of a prohibition in the Constitution that appears to have been written specifically for her. (The Nobel Peace Prize laureate is scheduled to be released from house arrest days after the election.) Then there are high registration fees and other restrictive laws. Democracy proponents argue the entire new Constitution is a sham, designed to legitimate and entrench rule by the military. It's hard to argue with that, as the document effectively gives control of the legislature to the military and locks out serious competitors. Moreover, the government has announced that it will not open polling locations in some eastern border townships because the situation is too violent. Critics counter that the real reason is that those areas are antigovernment and can't be counted on to back the military.

In September, United Nations Secretary General Ban Ki-moon called for a "fair, transparent and inclusive" vote. His comments followed a closed-door meeting of the Group of Friends of Myanmar, a group of 14 nations that met on the sidelines of the UN General Assembly. He also called for neighboring countries to exert influence to encourage meaningful engagement.

His definition of meaningful engagement probably didn't match that of supreme leader Gen. Than Shwe who led a delegation of 34 generals (some in mufti, in anticipation of the upcoming vote) to China in September to get Beijing's support for the election. Officially, the visit was part of the commemoration of the 60<sup>th</sup> anniversary of diplomatic relations between the two countries. In Beijing he met President Hu Jintao and Premier Wen Jiabao, among others.

China has called for international support of Burma's political process and denounced foreign intervention in its domestic politics. China's thinking is influenced by three factors. First, there is fear that instability in the country could lead to a flood of refugees over the border as occurred a year ago, when tens of thousands of people crossed into China after a Burmese military offensive into Kokang, in northeast Shan state. Second, Beijing wants to extend its influence in a large neighbor state with resources that China would like to exploit. That ambition is aided by the fact that China is Burma's third largest trade partner, after Thailand and Singapore. China has provided more than \$8 billion in investment in the last year. (China's presence in the country is not appreciated by all Burmese, however: several bombs went off this summer that targeted Chinese businesses.) Third, construction has begun on two pipelines that provide oil and gas to China that cross Myanmar. These are of strategic significance as they will reduce China's reliance on the Malacca Strait for energy that comes from the Middle East.

The trip to China was preceded by Than Shwe's visit to India on July 25-29. That too was aimed to shore up support for the ballot. India welcomed the visit as it also seeks to extend its influence in a key regional country, but the Delhi government has not been as enthusiastic about the election as China. At the end of the day, how its ASEAN partners respond to the election will be the most important. Will they continue to bury their heads in the sand and pretend that the democratic process is moving forward or actually cooperate with Washington and others in pressing for real reform?

### **Trans-Pacific Partnership: a pact and a prod**

While most regional economic discussions focused on the upcoming G20 and APEC meetings, hosted by South Korea and Japan, respectively, there has been some progress on the Trans-Pacific Partnership (TPP), an Asia-Pacific trade arrangement that is being championed by the US as a way to create a "gold standard" for such deals and to prod APEC to match that effort. The original TPP included Brunei, Chile, New Zealand and Singapore. The US announced it wanted to join the group in 2008 and began negotiations in 2009.

That initiative survived the change of administrations. About the same time, Australia, Peru, and Vietnam announced their interest in signing on, and Malaysia followed suit. This quarter, at the end of September, the Philippines formally informed the US of its intention to join as well. For its part, Washington (according to Secretary Clinton during her Sept. 8 CFR speech) sees the TPP, along with APEC (and ratification of the Korea-US FTA) as important to "realize the benefits from greater economic integration. In order to do that, we have to be willing to play."

The third round of negotiations on the TPP is scheduled to be held in Brunei Oct. 4. President Obama wants to have the first stage of the TPP complete in time for the APEC Leaders Meeting that he will host in Honolulu in 2011. US business groups have articulated 15 principles for the agreement to ensure that it is comprehensive and sufficiently ambitious; they too back the goal of having an agreement in time for APEC.

If the goal is to prod APEC, it seems to be working. When APEC finance ministers met in Yokohama at the end of September, they noted the TPP effort. In an interview with the *Asian*

*Wall Street Journal*, Japanese Foreign Minister Maehara said that he wanted to discuss with the US the possibility of membership in or accession to the TPP. And the final declaration of the US-ASEAN summit in New York on Sept. 24 also included reference to the TPP.

## **The road ahead**

The US profile in Asia should rise significantly in the next quarter with President Obama's trip to India, Indonesia, Korea, and Japan and Secretary Clinton's visit to Hanoi to accept US induction into the EAS. Defense Secretary Robert Gates will also be visiting Hanoi for the first ASEAN Defense Ministers Meeting Plus (ADMM+) meeting and will likely at some point also visit China, now that military-to-military relations seem to be restored (at least until the next round of Taiwan arms sales).

Meanwhile, China's defense minister, who has pointedly not attended any of the Shangri-La Dialogue unofficial defense heads meetings, will be attending the ADDM+. Beijing, perhaps (finally) getting the word from the ARF, begins talks with ASEAN in October over a more formally binding Code of Conduct for the South China Sea. It remains to be seen how forthcoming Beijing will be on this and how much of a "bloc" ASEAN will be in insisting on firmer guarantees (especially since it has trouble getting its own house in order on this issue). As for North Korea, it's hard to anticipate (or even hope for) any substantive change.

## **Regional Chronology July – September 2010**

**July 1, 2010:** South Korea turns down North Korea's proposal to hold direct military talks concerning the sinking of the South Korean warship *Cheonan*, stating that this situation should be dealt with under the Korean Armistice Agreement.

**July 6, 2010:** Thai government extends its state of emergency in 19 of the country's provinces.

**July 9, 2010:** The US and Russia successfully complete the biggest spy swap since the Cold War with the US returning Russia's 10 spies that were captured in the US in exchange for four prisoners held by Russia for spying and illegal weapons possession.

**July 9, 2010:** United Nations Security Council releases a Presidential Statement on the sinking of the South Korean warship *Cheonan*, which condemned the attack but does not directly blame the incident on North Korea.

**July 12, 2010:** Vietnam and the US celebrate 15 years of diplomatic relations in ceremonies in both Hanoi and Washington DC.

**July 12-31, 2010:** US Pacific Command and the Cambodian military co-host the 2010 Global Peace Operations Initiative to help train peacekeepers. More than 1,000 military personnel from 23 Asia-Pacific countries participate.

**July 15, 2010:** Military officials from North Korea and the United Nations Command meet in the border village of Panmunjom to discuss the sinking of the *Cheonan*.

**July 20, 2010:** The US and South Korea announce that they will conduct a series of large-scale naval exercises off the Korean Peninsula in the coming weeks.

**July 20, 2010:** The 43<sup>rd</sup> ASEAN Foreign Ministers Meeting is held in Hanoi and recommend that the US and Russia entry into the East Asia Summit.

**July 21, 2010:** The inaugural US-ROK “two plus two” security talks are held in Seoul with US Secretary of State Hillary Clinton, Defense Secretary Robert Gates and ROK Foreign Minister Yu Myung-hwan and Defense Minister Kim Tae-young as lead participants.

**July 22, 200:** The US announces the resumption of contact with Indonesia’s Special Forces unit *Kopassus*.

**July 22, 2010:** The 11<sup>th</sup> ASEAN plus 3 Foreign Ministers Meeting is held in Hanoi.

**July 23, 2010:** The 17<sup>th</sup> ASEAN Regional Forum is held in Hanoi. Secretary Clinton proffers a US mediation role for the protracted Spratly and Paracel Islands disputes.

**July 25-28, 2010:** The US and South Korea conduct a large-scale naval exercise codenamed *Invincible Spirit* in the Sea of Japan, that includes the aircraft carrier *USS George Washington* along with 20 other ships and submarines, 100 aircraft, and 8,000 men and women from the US and ROK armed services.

**July 27-31, 2010:** Burma’s Chairman of the State Peace and Development Council Gen. Than Shwe visits India for a state visit and meets Prime Minister Manmohan Singh.

**Aug. 3, 2010:** North Korea warns South Korean fishing vessels to stay clear of disputed border waters in the Yellow Sea and threatens a “strong physical retaliation” against upcoming South Korean naval exercises.

**Aug. 5, 2010:** State Department spokesman Phillip Crowley states that the US and Vietnam are discussing the provision of civilian nuclear technology to Vietnam.

**Aug. 5-9, 2010:** South Korea conducts its largest-ever anti-submarine exercises in the Yellow Sea near the disputed sea border with North Korea, despite the Chinese objections and the North’s threats of retaliation.

**Aug. 10, 2010:** The destroyer *USS John McCain* arrives in Danang for the first joint US-Vietnam naval exercise that focuses on search and rescue and damage control. The aircraft carrier *USS George Washington* participates.

**Aug. 16, 2010:** US Department of Defense (DoD) releases its report on military and security developments in People’s Republic of China.

**Aug. 16-18, 2010:** Wu Dawei, China's special envoy on Korean affairs, visits the DPRK and meets Pyongyang's lead nuclear envoy Kim Kye-kwan and Foreign Minister Pak Ui-chun.

**Aug. 16-26, 2010:** South Korea and the US conduct the annual *Ulchi Freedom Guardian* (UFG) exercise, a computer-based simulation involving about 56,000 ROK and 30,000 US troops.

**Aug. 18, 2010:** Taiwan's Legislative Yuan approves the Economic Cooperation Framework Agreement (ECFA) with China. It passes with 68 votes for and none against in the 112-seat parliament as the opposition party boycotts the vote.

**Aug. 24, 2010:** Thailand restores diplomatic relations with Cambodia after Phnom Penh announces that former Prime Minister Thaksin Shinawatra resigned as its economics adviser.

**Aug. 26-28, 2010:** Wu Dawei visits the ROK to discuss ways to resume Six-Party Talks. He meets South Korea's chief nuclear envoy Wi Sung-lac and Kim Sung-hwan, senior presidential secretary for foreign affairs.

**Aug. 26-30, 2010:** Kim Jong-il visits several cities in Northeast China and meets President Hu Jintao in Changchun.

**Aug. 30, 2010:** The US announces broadened sanctions on eight North Korean companies and four individuals for the stated purpose of limiting Pyongyang's arms trade and illicit businesses.

**Aug. 30-Sept. 3, 2010:** Two Chinese ships returning from the Gulf of Aden make a port visit in Rangoon, marking the first visit to Burma by Chinese warships.

**Aug. 31, 2010:** Wu Dawei visits Japan to discuss ways to resume Six-Party Talks.

**Aug. 31-Sept. 4, 2010:** Chinese Navy conducts a series of live-fire exercises in the Yellow Sea.

**Sept. 1, 2010:** Wu Dawei visits the US and meets Deputy Secretary of State James Steinberg.

**Sept. 3, 2010:** Wi Sung-lac, South Korea's top nuclear envoy to the Six-Party Talks, visits Washington to discuss ways to revive the moribund talks and Washington's recent sanctions against North Korea.

**Sept. 5, 2010:** US and South Korea conduct anti-submarine exercises in waters off the west coast of South Korea.

**Sept. 7, 2010:** Julia Gillard is confirmed as the prime minister of Australia after nearly three weeks of negotiations among political parties in an effort to form a coalition government.

**Sept. 7, 2010:** A Chinese fishing vessel collides with two Japanese patrol boats in the East China Sea near the Senkaku/Diaoyu Islands creating diplomatic tensions between the two countries.

**Sept. 7-11, 2010:** Burma's Chairman of the State Peace and Development Council Gen. Than Shwe visits China and meets President Hu Jintao and Premier Wen Jiabao. They agree to deepen bilateral relations particularly in large scale projects such as oil and gas exploration and development, hydroelectric power, and infrastructure development.

**Sept. 8, 2010:** Secretary Clinton, in a speech at the Council on Foreign Relations, reiterates US interest in pursuing deeper engagement with regional organizations in Asia.

**Sept. 13-16, 2010:** US Special Envoy for North Korea Stephen Bosworth visits South Korea, Japan, and China for discussions on the feasibility of restarting the Six-Party Talks.

**Sept. 15-26, 2010:** Asia-Pacific Economic Cooperation (APEC) Senior Officials Meeting III (SOM 3) and related meetings are held in Sendai, Japan.

**Sept. 20, 2010:** Vice President Joseph Biden addresses the US-Japan Council in Washington, DC, and notes that US efforts to improve ties with China must "go through Tokyo."

**Sept. 23, 2010:** Defense Secretary Robert Gates and Chairman of the Joint Chiefs of Staff Adm. Michael Mullen reaffirm the US-Japan security treaty during a press conference in response to questions regarding Japan's dispute with China over the Senkaku Islands.

**Sept. 24, 2010:** President Obama hosts a US-ASEAN Leaders Meeting in New York.

**Sept. 26-28, 2010:** Russian President Dmitry Medvedev visits China making stops in Dalian, Beijing, and Shanghai. Medvedev and Chinese President Hu Jintao oversee the signing of several agreements including energy deals.

**Sept. 27-Oct. 1, 2010:** The US and South Korea conduct joint anti-submarine exercises in the Yellow Sea with the intent of "sending a clear message of deterrence to North Korea."

**Sept. 28, 2010:** North Korea holds its third Workers' Party of Korea Conference in Pyongyang; Kim Jong-un is elevated into leadership positions.