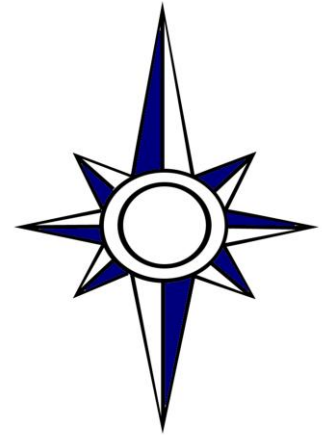




Pacific Forum CSIS



Comparative Connections



A Triannual **E-Journal** on
East Asian Bilateral Relations

edited by

Carl Baker
Brad Glosserman

January – April 2011
Vol. 13, No.1
May 2011

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Pacific Forum CSIS

Based in Honolulu, Hawaii, the Pacific Forum CSIS operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, D.C. Founded in 1975, the thrust of the Forum's work is to help develop cooperative policies in the Asia-Pacific region through debate and analyses undertaken with the region's leaders in the academic, government, and corporate arenas. The Forum's programs encompass current and emerging political, security, economic/business, and oceans policy issues. It collaborates with a network of more than 30 research institutes around the Pacific Rim, drawing on Asian perspectives and disseminating its projects' findings and recommendations to opinion leaders, governments, and publics throughout the region.

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Bilateral relationships in East Asia have long been important to regional peace and stability, but in the post-Cold War environment, these relationships have taken on a new strategic rationale as countries pursue multiple ties, beyond those with the US, to realize complex political, economic, and security interests. How one set of bilateral interests affects a country's other key relations is becoming more fluid and complex, and at the same time is becoming more central to the region's overall strategic compass. *Comparative Connections*, Pacific Forum's triannual electronic journal on East Asian bilateral relations edited by Carl Baker and Brad Glosserman, with Ralph A. Cossa serving as senior editor, was created in response to this unique environment. *Comparative Connections* provides timely and insightful analyses on key bilateral relationships in the region, including those involving the US.

We regularly cover key bilateral relationships that are critical for the region. While we recognize the importance of other states in the region, our intention is to keep the core of the e-journal to a manageable and readable length. Because our project cannot give full attention to each of the relationships in Asia, coverage of US-Southeast Asia and China-Southeast Asia countries consists of a summary of individual bilateral relationships, and may shift focus from country to country as events warrant. Other bilateral relationships may be tracked periodically (such as various bilateral relationships with Australia, India, and Russia) as events dictate. Our Occasional Analyses also periodically cover functional areas of interest.

Our aim is to inform and interpret the significant issues driving political, economic, and security affairs of the US and East Asian relations by an ongoing analysis of events in each key bilateral relationship. The reports, written by a variety of experts in Asian affairs, focus on political/security developments, but economic issues are also addressed. Each essay is accompanied by a chronology of significant events occurring between the states in question during the four-month period. A regional overview section places bilateral relationships in a broader context of regional relations. By providing value-added interpretative analyses, as well as factual accounts of key events, the e-journal illuminates patterns in Asian bilateral relations that may appear as isolated events and better defines the impact bilateral relationships have upon one another and on regional security.

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Table of Contents

Regional Overview:.....1

Shaking the Foundations

by Ralph A. Cossa and Brad Glosserman, Pacific Forum CSIS

The biggest headlines during the first four months of 2011 were generated by the triple tragedy in Japan – earthquake, tsunami, nuclear crisis – which left Tokyo (and much of the rest of the world) shaking, especially over nuclear safety. On the Korean Peninsula, Chinese concerns about the ROK/US “enough is enough” (over?)reaction to North Korean aggressiveness resulted in Beijing’s acknowledgment that the road to a solution must run through Seoul, thus providing a new foundation upon which to build toward a resumption of Six-Party Talks. Meanwhile, elections among the Tibetan diaspora began a long-anticipated political transition in in the exile community, shaking Chinese policy toward the province. More fighting between Thailand and Cambodia over disputed borders has rattled ASEAN as it challenges the most important of its guiding principles – the peaceful resolution of disputes. Economic developments this trimester all highlighted growing doubts about the global economic order and the US leadership role. It’s easy to predict the biggest headline of the next four month period: “Bin Laden is Dead!” Implications for Asia will be examined in the next issue; initial reactions were predictable.

US-Japan Relations:.....17

Responding to Multiple Crises

by Michael J. Green, CSIS/Georgetown University, and Nicholas Szechenyi, CSIS

The earthquake, tsunami, and nuclear disaster that struck Japan on March 11 tested the leadership credentials of the Kan government and the capacity for alliance coordination in response to simultaneous crises. With the exception of disconnects in assessing the nature of the nuclear emergency at the Fukushima Daiichi plant, the March 11 tragedy revealed the strength of the alliance as the Obama administration further demonstrated US solidarity with Japan by announcing a partnership for reconstruction to support Japan’s recovery. Prime Minister Kan reshuffled his Cabinet for the second time and unveiled a policy agenda aimed at “the opening of Japan” but faced scrutiny for failing to usher budget-related legislation through a divided Diet. Bilateral diplomacy proceeded apace and was aimed at advancing economic and security cooperation though a controversy over alleged remarks about Okinawa by a senior US diplomat had the potential to cause another crisis in the alliance.

US-China Relations:.....29

Pomp and Substance: Hu’s State Visit to the US

by Bonnie Glaser, CSIS/Pacific Forum and Brittany Billingsley, CSIS

High-level contacts between the US and Chinese militaries resumed in January with a visit by Defense Secretary Robert Gates to China. Immediately following his trip, President Hu Jintao traveled to the US for a state visit. The occasion combined informal discussion with all the protocol trappings of a state visit by a leader from an important country. Both countries exerted great efforts to ensure the visit’s success, which put the bilateral relationship on more solid footing after a year that was characterized by increased tensions and discord. At the invitation of Secretary of State Hillary Clinton, State Councilor Liu Yandong made a week-long visit to the US in mid-April, during which she co-chaired with Clinton the second round of the Consultation on People-to-People Exchange. China held its annual “two meetings” – the National People’s Congress and the Chinese People’s Political Consultative Congress – and endorsed the 12th Five-Year Plan for National Economic and Social Development.

US-Korea Relations:.....43

Under the Shadow of 2010

by Victor Cha, CSIS/Georgetown University and Ellen Kim, CSIS

The US and South Korea continued strong solidarity and close policy coordination on North Korea in early 2011. The US made repeated calls for North Korea to improve its relations with South Korea and show sincerity about denuclearization before the Six-Party Talks can resume. The Hu Jintao visit to the US in January paved the way for the first inter-Korean talks since the Yeonpyeong shelling, although they collapsed on the second day as the two Koreas could not resolve their dispute over the sinking of the *Cheonan*. While inter-Korean dialogue stood at a standstill, the US and South Korea agreed to pursue a UNSC Presidential Statement that would denounce North Korea’s uranium enrichment program. Possible resumption of US food aid and Jimmy Carter’s Pyongyang visit were new variables, although neither brought any change. The good news is that the KORUS FTA looks to be near its long-awaited passage in the Congress.

US-Southeast Asia Relations:.....53

Dismay at Thai-Cambodia Skirmishes

by Sheldon Simon, Arizona State University

Both the US and ASEAN expressed dismay at border skirmishes between Thailand and Cambodia, which call into question the two countries’ commitment to the ASEAN rule of the peaceful settlement of disputes among its members. Washington has promised to aid Philippine maritime capabilities to patrol both its South China and Sulu Seas’ territorial waters as part of a larger US goal of keeping Asian sea lanes open. In Indonesia, the US embassy inaugurated a new public diplomacy program, *@america*, an interactive information technology site designed to demonstrate the breadth of American life to Indonesia’s tech-savvy young people. As the current ASEAN chair, Indonesia seemed to follow Secretary of State Clinton’s call for an ASEAN role in resolving the South China Sea islands dispute. US relations with Vietnam and Cambodia continue to be strained over human rights concerns. While ASEAN has called for the lifting of economic sanctions on Burma, Washington seems in no hurry to follow suit. Finally, the US promised high-level participation in ASEAN-led regional organizations, including the ARF, the ADMM+, APEC, and the EAS.

China-Southeast Asia Relations:.....65

China Reassures Neighbors, Deepens Engagement

by Robert Sutter, School of Foreign Service, Georgetown University, and Chin-hao Huang, University of Southern California

The reassuring message of good neighborliness and cooperation that Chinese leaders and commentary reverted to at the end of 2010 continued into 2011. The shift was reflected through more positive attention to Southeast Asia and other neighbors, seeking to advance extensive Chinese engagement, especially rapidly growing economic interchange, while endeavoring to play down differences over territorial disputes and other questions. Wariness remained over US policies and practices, but disputes were registered less frequently and in less strident tones than in much of 2010. In contrast with the assertiveness and truculence seen in much of the previous year, China’s handling of issues in the South China Sea remained moderate, although it showed few signs of compromise, seeking instead to “shelve” differences or engage in protracted diplomacy. Meanwhile, China endeavored to solidify relations with neighboring Myanmar by sending a senior Communist Party leader to the country’s capital in April.

China-Taiwan Relations:.....75

Steady as She Goes

by David G. Brown, The Johns Hopkins School of Advanced International Studies

The Cross-Strait Economic Cooperation Committee held its first meeting in February, which represents an important step in implementing the Economic Cooperation Framework Agreement. Both Beijing and Taipei believe this year will see a steady consolidation of cross-strait relations, with only a few new agreements. The backdrops of this modest prospect are the leadership transitions underway on both sides of the Taiwan Strait. Evidence of PLA modernization confirms that military capabilities threatening Taiwan continue to increase, confronting Washington with difficult decisions on future arms sales to Taiwan.

North Korea-South Korea Relations:85

Not Getting Better

by Aidan Foster-Carter, Leeds University, UK

The first four months of 2011 saw no real improvement in relations between the two Koreas. Their sole official contact, military talks in February, broke up in acrimony after two days. A slight easing of South Korea’s aid restrictions in April was in response to dire humanitarian need in the North, and probably does not indicate a wider thaw. As often there was the odd hint of back-channel talks, but no suggestion of progress. The obstacles are familiar. Pyongyang’s peace offensive as the year began did not impress Seoul as it failed to deal with what remain two huge stumbling-blocks: the sinking of the corvette *Cheonan* and the shelling of Yeonpyeong Island. The North continues to deny all responsibility for the former, and to insist it was provoked into the latter. This appears to be a recipe for stalemate, perhaps for the rest of Lee’s presidency, which ends in February 2013 – although in Korea surprises are always possible.

China-Korea Relations:.....109

Can Inter-Korea Dialogue Revive the Six-Party Talks?

by Scott Snyder, Asia Foundation/Pacific Forum, and See-won Byun, Asia Foundation

In the aftermath of North Korea’s artillery shelling of Yeonpyeong Island, Chinese officials showed great concern about the possibility of escalation. The January summit between Presidents Hu and Obama served to reduce tensions to some degree, especially through a call for resumption of inter-Korean talks. China has stepped up calls for “creating conditions” for the resumption of Six-Party Talks, engaging in diplomatic exchanges with both Koreas. Although South Korea in April agreed to China’s proposed “three-step” process toward restarting Six-Party Talks, this plan makes the resumption of multilateral talks depend most critically on reaching consensus on the preconditions for inter-Korean talks, which remain stalled. Despite the stalemate on denuclearization of the DPRK, China and South Korea have attempted to stabilize and consolidate cooperation on other issues through bilateral contacts and a series of three-way talks with Japanese counterparts.

Japan-China Relations:.....119

Looking for Traction

by James J. Przystup, Institute for National Strategic Studies, NDU

Old problems – the Senkaku fishing boat incident, the East China Sea, and China’s increasing maritime activities in waters off Japan – persisted in early 2011. Efforts by Japan to keep lines of communication open with China’s leadership included a visit to China by members of the Diet and Japan’s senior vice minister for foreign affairs at the end of January. The China-Japan Strategic Dialogue resumed in Tokyo at the end of February. Less than two weeks later, the March 11 earthquake and tsunami hit Japan. China responded by providing emergency assistance and sending a rescue and medical team. Prime Minister Kan personally thanked China’s leadership and the Chinese people for their assistance, support, and encouragement. The *Asahi Shimbun* offered the hope that the crisis could serve as an opportunity for a fresh start in Japan’s relations with its Northeast Asian neighbors.

Japan-Korea Relations:.....129

Japan’s Tragedy Overshadows Everything

by David Kang, University of Southern California, and Jiun Bang, University of Southern California

The triple tragedy in Japan overshadowed all other regional events in the first four months of 2011. The earthquake, tsunami, and nuclear crisis in March riveted the world and shone a spotlight on a country that had long been seen as an economic powerhouse. The vivid images of the disaster area were a reminder that even the most developed of countries is subject to the random course of nature and caused many to wonder how the events would affect Japan and the region. As its closest neighbors, the tragedy provided opportunities for both Koreas to offer condolences and aid to Japan and led to some hope that a stronger relationship could emerge between Japan and the Korean Peninsula. However, the tragedies did not remove the difficult issues between Japan and its neighbors or fundamentally alter longstanding trends in the region. In fact, quite soon after the earthquake these old issues began reappearing. It remains to be seen whether and to what extent the Fukushima earthquake marks a new era in Japan and what effect that might have on Japanese foreign relations, but certainly in the short term the Japanese will be focused more internally than externally as they concentrate on recovery and rebuilding.

China-Russia Relations:.....137

Mounting Challenges and Multilateralism

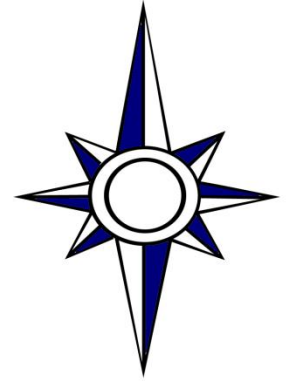
by Yu Bin, Wittenberg University

China-Russia economic relations were “reset” on New Year’s Day 2011 when the 1,000-km Skovorodino-Daqing branch pipeline was officially opened. The pipeline, which took some 15 years from conception to completion, will transport 15 million tons of crude annually for the next 20 years. The low-key ceremony marking the launch of the pipeline at the Chinese border city of Mohe was followed by several rounds of bilateral consultations on diplomatic and strategic issues in January. In March and April, Moscow and Beijing sought to invigorate their “joint ventures” – the Shanghai Cooperation Organization (SCO) and the Brazil, Russia, India, China (BRIC) forum – at a time when both Moscow and Beijing feel the need for more coordination to address several regional and global challenges and crises.

About the Contributors.....147

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Regional Overview:

Shaking the Foundations

Ralph A. Cossa, Pacific Forum CSIS
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The biggest headlines during the first four months of 2011 were generated by the triple tragedy in Japan – earthquake, tsunami, nuclear crisis – which left Tokyo (and much of the rest of the world) shaking, especially over nuclear safety. On the Korean Peninsula, Chinese concerns about the ROK/US “enough is enough” (over?) reaction to North Korean aggressiveness resulted in Beijing’s acknowledgment that the road to a solution must run through Seoul, thus providing a new foundation upon which to build toward a resumption of Six-Party Talks. Meanwhile, elections among the Tibetan diaspora began a long-anticipated political transition in the exile community, shaking Chinese policy toward the province. More fighting between Thailand and Cambodia over disputed borders has rattled ASEAN as it challenges the most important of its guiding principles – the peaceful resolution of disputes. Economic developments this trimester all highlighted growing doubts about the global economic order and the US leadership role. It’s easy to predict the biggest headline of the next four month period: “Bin Laden is Dead!” Implications for Asia will be examined in the next issue; initial reactions were predictable.

Japan rattled

At 2:26 PM on March 11, 2011 (JST), a magnitude 9.0 earthquake hit 43 miles east offshore Tohoku prefecture; it was the biggest quake in Japan’s recorded history and one of the five largest anywhere since modern record-keeping began in 1900. The quake triggered a tsunami with waves that reached a maximum height of 125 feet, reaching as far as 6 miles inland. The Great East Japan Earthquake left at least 27,000 people dead or missing and 160,000 people in refugee centers. Some 70,000 homes were destroyed, and another 55,000 damaged.

The quake and tsunami set off accidents at nuclear facilities located in Fukushima: while fail-safe systems operated as planned, shutting down after the temblor, backup generators were swamped by the tsunami. Fires and explosions resulted as nuclear cores and spent fuels heated up when cooling systems failed. The resulting catastrophe has been classified as level 7, the most severe, matching Chernobyl, forcing some 80,000 families from their homes. Two months after the quake, the nuclear crisis is still not fully under control. It is estimated that total losses will exceed \$300 billion, making this the most expensive natural disaster in history. Aftershocks were occurring one month after the initial quake.

The initial reaction to the disaster was, understandably, awe. Seeing it all unfold in real-time, and afterward in countless replays, contributed to a sense of helplessness. Then the Japanese turned to the grim task of cleaning up and rebuilding. Slowly, patience and endurance turned to frustration and anger as the nuclear crisis continued and the government seemed unable to get a

grip on the problem. The inability to anticipate a disaster of this size shook a country that thought it understood the potential magnitude and consequences of natural disasters. Coming 16 years after the 1995 Great Hanshin Earthquake, the country should have been better prepared and able to cope. Their government's response has not satisfied most Japanese citizens. The failure to contain and control the nuclear crisis exposed both the government and the "nuclear community" (industry, experts, and regulators) as inept, if not corrupt.

Other nations responded quickly. The US sent its military to help deal with the crisis and its immediate aftermath; *Operation Tomodachi* has consolidated the image of the US (and its military) as a real friend in need. While there were moments of tension – the US Nuclear Regulatory Commission's suggestion that US citizens evacuate a 50-mile (80 km) radius around the plant was seen as a vote of no confidence in Japan's government, which had only ordered a 20-km evacuation zone – clearly US "soft power" received a boost, as did the rationale for the US forward military presence in Japan. This was not likely to make resolving the intractable Okinawa base issue any easier, however. In fact, at a track-two meeting held shortly after the disaster, participants advised Washington to take a step back so as not to appear to be "exploiting" the tragedy. Moreover, concerns were expressed that during this period, Japanese energies will be focused inward and other priorities will languish. US participants urged Japanese counterparts "to not let the crisis go to waste," while Japanese interlocutors lamented the lack of leadership in Tokyo necessary to unite and move the nation forward.

Neighboring countries also responded with an outpouring of aid and support. For one bright moment, there were hopes that this disaster would finally provide a way to surmount the tensions that have dominated relations in Northeast Asia, as China and South Korea provided aid and comfort. Newspapers in both countries highlighted the Japanese response and their citizens' stoicism and courage. That moment too quickly passed. Japan's Ministry of Education approved new high-school textbooks that made the usual claims on Dokdo/Takeshima and much of the Korean goodwill evaporated. Chinese helicopters buzzed Maritime Self-Defense Force ships near disputed waters and China was again a threat. Both Seoul and Beijing complained about Japan dumping irradiated water in the ocean without their being informed and began restricting the import from Japan of foodstuffs that might be contaminated.

Economists estimate the quake should have less economic impact than the 1995 quake; Tohoku is not an industrial center like Kobe, source of about 4 percent of Japanese GDP and whose port makes it a key transit point between Osaka and western Japan. But even though Miyagi, the prefecture hardest hit by the quake, accounts for just 1.7 percent of GDP, a number of key industries are in the area and global supply chain disruptions are already being felt.

More troubling is the prospect of rolling blackouts throughout the summer as Japan deals with energy shortages created by the number of nuclear facilities that have gone offline. Officials estimate that it will be years until power generation is back to pre-quake levels and businesses aren't sure how they will cope. In the interim, buildings are going dark, air conditioners remain off, and toilets seats are unplugged as everyone tries to save energy.

Japan will rebuild. In the aftermath of the quake, the Japanese people have shown incredible courage, resilience, and capacity to endure. The government has made rebuilding a priority and

that is precisely the sort of task at which the Japanese excel. They will recreate the destroyed areas – and they were leveled – better than they originally were. Unfortunately, the rebuilding effort will be expensive: Economists note this will boost the Japanese economy in the second half of the year and in 2012, but it adds another mountain of debt to an economy that is already the most indebted in the developed world. Officials have said that they will not cut foreign aid budgets and diplomatic initiatives, especially those concerning Northeast Asia, will continue.

The disaster in Fukushima prompted Prime Minister Kan Naoto to announce May 10 that Japan would “start from scratch” in creating a new energy policy. That means the suspension of plans to build 14 new nuclear plants by 2030 and increase the nuclear share of energy produced to 50 percent. While Kan wants to increase the use of renewable energy sources, it isn’t clear what this will mean in practice. Japan’s options are limited. Nuclear energy is likely to remain a key component of Japan’s energy future, although the country’s record of nuclear safety is troubling. There have been a series of mishaps and accidents in recent years. If this is a wake-up call to nuclear administrators and operators, then some good may come of this tragedy. The rest of the world has looked on with horror as the catastrophe has unfolded. No other country in Asia considering or using nuclear power has said that it will reconsider its plans, but governments and publics are reminded again of the need to ensure that nuclear power is closely regulated to ensure that it is as safe as possible. “If technologically advanced and safety conscious Japan can have a disaster such as this,” many Asians wonder, “ what does this say about the safety of nuclear reactors already in or planned for China, or in countries like Vietnam or Indonesia, which have nuclear power programs on the books?”

“Enough is enough” approach shakes Pyongyang and Beijing

Ironically, Seoul’s pledge in the wake of the *Cheonan* sinking and Yongpyeong Island shelling that any further hostile action by Pyongyang would be met “immediately and sternly,” combined with its decision to call Pyongyang’s bluff and resume West Sea exercises despite Pyongyang’s warning that doing so would result in a “nuclear holocaust” or “holy war,” may have helped open the door for an eventual resumption of the Six-Party Talks, on Seoul’s (and Washington’s) terms. Seoul’s “proactive deterrence” policy, while not clearly defined, seems to have persuaded Pyongyang that Seoul will no longer turn the other cheek in response to North Korean slaps in the face. This “enough is enough” approach, unequivocally backed by Washington, has gotten Beijing’s attention as well.

During their private dinner at the White House in January, President Barack Obama reportedly told Chinese President Hu Jintao that the US would redeploy forces to the Korean Peninsula and firmly back ROK retaliatory actions if North Korean aggressive behavior continued. Hu got the message. As part of their Joint Statement on North Korea, Hu for the first time publicly “expressed concern regarding the DPRK’s claimed uranium enrichment program” and “oppose[d] all activities inconsistent with the 2005 Joint Statement and relevant international obligations and commitments.” At their joint press conference, Obama took things one step further, noting that “the international community must continue to state clearly that North Korea’s uranium enrichment program is in violation of North Korea’s commitments and international obligations.” Unfortunately, Beijing remains silent on this point; China continues to

block UN Security Council (UNSC) discussion of the uranium enrichment program (or, for that matter, the broader issue of North Korean violations of other UNSC resolutions and sanctions).

More positively, however, Presidents Hu and Obama, in their Joint Statement, “emphasized the importance of an improvement in North-South relations and agreed that sincere and constructive inter-Korean dialogue is an essential step.” This led to a new Chinese proposal for a three-phase approach to the resumption of dialogue that begins with inter-Korean dialogue, followed by US-DPRK talks, leading to eventual resumption of Six-Party Talks. China’s earlier proposals had always begun with informal US-DPRK talks as the first step. Beijing finally came around to the view that the road to Six-Party Talks – and to US-DPRK dialogue – must run through Seoul.

This latest three-step approach was put forth by China’s Special Representative for Korean Peninsula Affairs Wu Dawei in mid-April, after his meeting in Beijing with North Korean First Vice Foreign Minister Kim Kye Gwan, long a DPRK point man on nuclear issues. Wu told reporters that the first step would be a meeting of chief Six-Party Talks delegates of South and North Korea. In the past, the North had categorically refused to discuss nuclear issues with the South. Agreeing to such talks constituted “progress,” according to Seoul. Wi Sung-lac, South Korea’s chief nuclear negotiator, said that the South’s voice was “partly heard” in the Chinese official’s proposal. But he noted that the inter-Korean talks should not be misunderstood as an “easy test that North Korea can pass without showing its sincerity for denuclearization.” As ROK Unification Minister Hyun In-Taek warned, “North Korea must come to inter-Korean dialogue with a sincere and responsible attitude.” The talks had to be more than perfunctory. And, while not repeating Seoul’s earlier demand for an apology *per se*, Hyun warned that “for us to move forward, North Korea must show a responsible attitude in last year’s two provocations. The ball is in North Korea’s court.”

The North has been attempting to show a more responsible attitude through its ongoing “charm offensive,” its repeated pledges to return to talks “without preconditions,” through a series of unofficial interactions with US interlocutors at two separate track-two meetings in Germany, and through the highly publicized third visit of former US President Jimmy Carter to Pyongyang.

We were not present at the track-two dialogues in Germany but have had the opportunity to talk with folks who were. They provide a consistent message: the North is ready to enter into Six-Party Talks without preconditions and is prepared to discuss all issues, including missiles, uranium enrichment (which they insist is solely to support the peaceful use of nuclear energy), and their nuclear weapons program. It is also clear that while there are no preconditions to talking, there are serious preconditions that continue to block progress toward actual denuclearization. In addition to the list with which all are familiar – ending Washington’s “hostile policy,” its troop presence on the Peninsula, and its nuclear umbrella over the South, and acceptance of the DPRK’s status as a nuclear weapon state – at one of the meetings a new wrinkle seems to have appeared, centered on a US troop and nuclear umbrella: withdrawal not just from the Korean Peninsula but from the rest of Northeast Asia (read: Japan) as well.

Positive tidbits emerging from the Germany meetings included an apparent willingness to declare a moratorium on nuclear and missile testing (a sign of sincerity to Washington) and a willingness to make a “reassuring” statement regarding *Cheonan* and Yeonpyeong in direct

North-South talks (ditto to Seoul). While such signals are encouraging, North Korean interlocutors have made many promises at the track-two level in the past that have failed to materialize or that came with significant strings attached during official talks, so a bit of caution is advised in accepting any of this at face value.

The Carter visit seemed to reinforce both the positive and negative messages: “We are hearing consistently throughout our busy schedule here in Pyongyang that the North wants to improve relations with America and is prepared to talk without preconditions to both the United States and South Korea on any subject,” Carter said. “The sticking point – and it’s a big one – is that they won’t give up their nuclear program without some kind of security guarantee from the United States.” According to China’s *People’s Daily*, Carter also said that North Korean officials expressed “regret” for the South Koreans who lost their lives in the *Cheonan* sinking and the shelling of Yeonpyeong, but were unlikely to admit involvement in the former or apologize for the latter.

Carter also reported that North Korean leader Kim Jong Il “specifically told us that he is prepared for a summit meeting directly with President Lee Myung-bak at any time to discuss any subject directly between the two heads of state.” Specifically, but not directly. Actually Kim chose not to talk with Carter and his group of Elders directly, but instead called them back to the guest house where they had been staying after they had departed for the airport, not for their anticipated (and requested) face-to-face meeting but merely to receive a “personal message.”

Kim Jong Il’s failure to meet personally with Carter and his distinguished group (which also included former Finnish President Martti Ahtisaari, former Norwegian Prime Minister Gro Brundtland, and former Irish President Mary Robinson) was a clear snub. Carter had specifically asked to meet him and his heir-apparent son, Kim Jong Un as well. Kim Jong Il had been conveniently out-of-town (on what appeared to be a hastily-arranged visit to China) during Carter’s last visit, in August 2010, when he secured the release of a US citizen, Aijalon Mahli Gomes, who had been detained by the DPRK for entering the country illegally. But Carter had met with Kim’s father, Kim Il Sung, during his 1984 visit which many (but not all) believe helped to defuse an earlier tense situation and jumpstart the earlier Agreed Framework denuclearization process. The Elders –an independent group of eminent global leaders founded by former South African President Nelson Mandela – clearly had similar aspirations for this trip.

It’s anyone’s guess why the snub occurred. Perhaps Kim’s health has seriously deteriorated; perhaps Carter’s asking to meet Kim Jong Un was the deciding factor (although Kim still could have showed up alone); perhaps he is merely playing hard to get; or, our personal favorite (in terms of amusement, not probability, although who knows), perhaps he was afraid to meet with Carter, given that his dear old dad had dropped dead within weeks of meeting the former US president – could it just be superstition or paranoia that caused the rude behavior? Regardless of the reason, Carter came away empty. He was not even able to gain the release of the latest US detainee, Jun Young-su (who reportedly entered the country legally but was subsequently arrested for “committing a crime against the DPRK”), as many had anticipated – maybe they are holding out for another Clinton visit instead (Bill, not Hillary).

The snubs did not end with Pyongyang. ROK President Lee Myung-bak also was too busy to meet the Elders when they came calling on Seoul. And US Secretary of State Hillary Clinton, when asked if she planned to meet Carter, reportedly exclaimed “Hell no!” No wonder! If Carter’s overly apologetic approach toward North Korea was not enough – he has been extremely critical of UNSC sanctions and seemed to justify the North’s aggressive actions as mere attempts to “remind the world that they deserve respect in negotiations that will shape their future” – Carter also announced at a press conference that Seoul and Washington were guilty of “human rights violations” by refusing to provide food aid to the North. Notably absent were any comments from Carter about North Korea’s human rights violations; Mary Robinson (former UN High Commissioner for Human Rights) made no initial comments, but wrote a scathing critique after leaving the North.

While ROK officials claim there was nothing new in the North Korean overtures relayed by Carter, one suspects a trial balloon to see if a statement of “regret” for the loss of life might be sufficient to get beyond the “apology” hurdle. Meanwhile, we think the appropriate response to the summit offer should be “come on down.” President Lee should counter the offer by stating that he would be happy to send his car and driver to pick up Kim Jong Il any time he would like to pay a visit to Seoul.

This flurry of activity at trimester’s end has raised hopes that a resumption of Six-Party Talks will soon be in the cards. Who knows! But it’s one thing to talk and another to make progress. As long-time Asia hand Doug Paal observed in a recent Carnegie commentary: “The outlook for diplomatic engagement is the best it has been in two years, but the prospects for a satisfactory outcome have never looked worse.” The prospects of direct North-South nuclear talks actually taking place, much less demonstrating progress and sincerity, seem low but we have been surprised before so stay tuned!

Elections, real and imagined

A ballot for Tibetans. Lobsang Sangay, the first Tibetan to attend Harvard Law School and currently a professor at that institution, was elected prime minister of the Tibetan government in exile in a March 20 ballot among the Tibetan diaspora. Sangay tallied 55 percent of the 49,000-plus votes cast by Tibetans living outside Tibet in a three-way contest. (Six million Tibetans live inside Tibet; the diaspora numbers 150,000.) As *kalon tripa* (prime minister), he oversees a government of seven Cabinet ministers and 400 employees that is located in Dharamsala in northern India.

The election was the culmination of a process begun some 40 years ago, when the Dalai Lama, the spiritual leader of the Tibetan people, first called for the transition to a constitutional monarchy. The Dalai Lama wants to prepare his people for his passing – which, at the age of 75, is not a distant prospect. In 2001, he called for direct election of the prime minister in a bid to separate the political and spiritual domains of his rule. This ballot completes that process.

China dismissed the vote as a trick. In one of the great ironies of history, Beijing argues that the Dalai Lama’s powers and authority are inseparable; the current Dalai Lama can’t divest himself of either realm. Beijing also insists that power can only pass by reincarnation and it must have a

say in approving the Dalai Lama's successor. That is quite a claim for a government that proudly claims to have modernized Tibet and routinely criticizes the Dalai Lama for promoting feudalism. But then, a democratic Tibetan government in exile, blessed by the Dalai Lama but independent of him, is considered a threat by Beijing.

Burmese get a sham government. In November 2010, the Burmese junta allowed elections to be held – carefully stage-managed of course. As anticipated – and as intended – the Union Solidarity Party, the government's own creation, won 883 of 1,154 seats in the new Parliament. In January, Sr. Gen. Than Shwe stepped down as commander in chief and leader of the armed forces; on Feb. 4, former Prime Minister (and general) Thein Sein was elected president of the new government, sans fatigues. On March 30, the ruling junta was officially dissolved, Thein Sein sworn in as president, and a civilian government of lawmakers was sworn in. (Calling them "civilian" is generous: 25 percent of seats in the Parliament were reserved for the military and most new government officials and legislators only recently took off their uniforms.) There are media reports that an extra-constitutional eight-member body called the State Supreme Council has been set up to "guide" the government. It will be led by Than Shwe and will include Vice Sr. Gen. Maung Aye, the president, the speaker of the lower house, and other senior generals.

The election has done little to change Burma's engagement with the world beyond its borders. The US and Europe remain fundamentally suspicious of the new government and challenge its legitimacy. Earlier this year, Deputy Assistant Secretary of Defense for East Asia and the Pacific Derek Mitchell was nominated to be special representative and policy coordinator for Burma, a State Department position with the rank of ambassador. As the first US special representative, his selection is a signal to the Burma government that the door is open to discussion – if that government is serious about change. In mid-April, the EU suspended travel and financial restrictions on four ministers – including the foreign minister – and 18 vice-ministers in the new government. That move is intended to facilitate dialogue between the new government and the West, but EU officials warned that subsequent relaxation depends on actions taken in the next year. For its part, ASEAN sees the government transition as a positive step and has called for lifting sanctions. Thus far, that looks like the triumph of hope over experience, but the failure to get the government in Burma to change course demands new thinking and approaches by all concerned nations. Meanwhile indications from Burma that it wants to assume the ASEAN Chair in 2014 will test ASEAN's diplomatic skills.

ASEAN's other test

While Burma is a longstanding ASEAN problem, the outbreak of fighting between Cambodia and Thailand over the Preah Vihear temple complex and other disputed border areas is a (relatively) new and a more fundamental challenge to the organization. Sheldon Simon explains the dispute in more detail in his chapter on US-Southeast Asia relations, but the key details are this: the temple was awarded to Cambodia by the International Court of Justice nearly 40 years ago, but the two countries – egged on by nationalist politicians – continue to spar over nearby grounds. This year, there have been several exchanges of gunfire that produced fatalities on both sides and created thousands of refugees. The two sides agreed earlier in the year to border monitors, but they have not been able to take up their positions. In April, fighting erupted at another disputed area, some 160 km from the temple. (In total, the two countries have thousands

of kilometers of disputed land borders; the sea border, where there may be natural resources, is also disputed.)

While ASEAN is everyone's favorite institutional whipping boy – calling it a “talk shop” is not a compliment – this dispute shakes the institution to its core. One of ASEAN's accomplishments has been the inculcation of a culture of peace and dispute resolution among its members. This escalation of hostilities and taking of lives is an abrogation of the organization's fundamental premise: the peaceful settlement of disputes among members. If ASEAN cannot get them to honor that basic concept, then it truly is irrelevant.

ARF Disaster Relief Exercise

While Japan, the US, and a host of others were involved in actual disaster relief operations, others were preparing for future eventualities. Four days after 3-11, over 4,000 people from 25 countries took part in an ASEAN Regional Forum (ARF) four-day Disaster Relief Exercise (DiREx) in Manado, Indonesia. The exercise was co-hosted by Indonesia and Japan, although Japanese (and US) participation was understandably lighter than originally planned. Japanese Vice Minister for Foreign Affairs Makiko Kikuta attended the opening ceremony. The field training exercise included a tsunami drill, mapping areas of disaster impact, dropping logistics training activities, observation and simulation of disaster evacuation from land, sea, and air, and urban search and rescue. Participants also provided local communities with free health services, installed water purification systems, and constructed roads and a village meeting hall. This was the second such exercise by the ARF; the first ARF Voluntary Demonstration of Response (VDR) exercise was held in the Philippines in May of 2009. The ARF intends to conduct such exercises once every two years, to enhance cooperation among countries in disaster management.

A dream deflated?

The US and India have pledged to build a closer strategic relationship, a process that began under the presidency of George W. Bush and has proceeded fitfully ever since. (Satu Limaye has chronicled this adventure in his chapter on US-India relations, which appears annually in our January issue.) In March, top defense officials from the two countries, led by Indian Army Chief V K Singh and his US counterpart Gen. George Casey, met in Washington for the 11th Defense Policy Group meetings. According to the statement released afterward, they held an “extensive discussion on further strengthening bilateral defense ties, under the auspices of the Defense Framework Agreement of 2005.” All news reports referred to the meeting as “low key,” underscoring the delicate diplomatic tightrope that Washington and Delhi are walking as they try to strengthen ties without unduly offending other governments, such as China and Pakistan.

That *pas de deux* was knocked off balance with India's decision in late April to exclude US manufacturers from the short list of candidates for the next generation of multi-role fighter aircraft. The deal to supply 126 fighters is worth \$10-12 billion; only European aircraft, the *Rafale* made by France's Dassault Aviation and the Eurofighter *Typhoon*, built by European Aeronautic Defence and Space, a consortium of Spain, Germany, Britain's BAE Systems and Italy's Finmeccanica, made the cut. Americans were shocked by the decision -- US Ambassador Tim Roemer said he was “deeply disappointed,” while noting that he was assured the

transparency process was “open and fair” – and some demanded an investigation into Indian procurement practices. Analysts anticipate the furor will die down. India has already purchased several maritime patrol aircraft from Boeing and may still purchase *C-17* transport planes. Plainly, however, the assumption that the US-India partnership (however it is defined) doesn’t give the US an automatic advantage in arms procurement deals, even though increasing cooperation between the two militaries would suggest that makes sense.

Economics

From BRICs to BRICS. In mid-April, Brazil, Russia, India, and China – the “BRICs” as coined by Goldman Sachs in 2001 – held their annual leaders’ summit in Sanya in southern China. Those four countries represent 2.8 billion people (some 40 percent of the world’s population) but only 25 percent of global wealth. This was their third meeting since coming together formally as a group in 2009. This year, South Africa joined the quad, turning the BRICs into BRICS. In one sense, expanding the table was a shrewd move, a seeming confirmation of the widely held view that the group is more a lobby for emerging nations as a whole – a counter to the G8 – than a special interest group looking out for its own interests. That is ambitious: according to the IMF the combined GDP of the G8 last year was \$33.36 trillion; the BRICS constituted \$11.33 trillion. But, those five countries constituted 18 percent of the world economy last year, up from a mere 11 percent in 2005; in the same period the G8 share of global GDP fell from 64 percent to 53 percent. Juxtapose the BRICS expanding economic clout with the fact that the G8 represents just 10 percent of the world’s population and you have the basis for a reasonable claim that these folks should be heard.

And indeed, the discussions of the summit took aim at the mess the developed world has made of the global economy and the BRICS leaders called for substantial change. Their communiqué called for “comprehensive reform” of the United Nations “with a view to making it more effective, efficient and representative” so that it can meet growing global challenges. That does not go so far as to include endorsement of India for its long-sought seat on the Security Council; Beijing has some doubts about that. Russia did seek backing from the group to join the World Trade Organization. Demonstrating that they can do boilerplate with the best of the established groups, they called for action on climate change, promised to promote sustainable development, and backed the Millennium Development Goals. (Trade ministers meeting the day before matched them platitude for platitude, decrying protectionism, promising to keep their economies open, and complaining that the Doha round of trade talks was paralyzed.)

In their 32-paragraph statement, the leaders also called for reform of the international monetary system leading to “a broad-based international reserve currency system providing stability and certainty.” That is economic sherpa-speak for a desire to see a reduced role for the US dollar as the world’s reserve currency. China along with other nations believes that the dollar’s status allows the US to be irresponsible in managing its economy, running up massive deficits and exporting inflation. In tandem with that view, the leaders called “for more attention to the risks of massive cross-border capital flows now faced by the emerging economies,” and warned in particular of “excessive volatility in commodity prices, particularly those for food and energy...” Recognizing the disaster that was continuing in Japan, the leaders also agreed that nuclear energy “will continue to be an important element in future energy mix of BRICS countries” but

acknowledged that international cooperation is needed ensure that nuclear energy is pursued safely. To put some substance on their push to diminish the role of the dollar, the countries' national banks opened bilateral lines of credit to each other in their own currencies, and talked about more mutual investment.

In theory, the BRICS make sense. Reality lags, however. While the countries would like to see the world work differently – they want their own hands on the switches (or at least see Washington lighten its grip) – there is little to unite them besides a shared sense of grievance. China is the booming economy; without it, the BRICs were just BRI (or about 8 percent of the global economy.) India has aspirations to be an economic powerhouse, but as one wag put it, “India is always tomorrow’s story.” Moreover, Russia and Brazil, despite their aspirations, are essentially raw materials providers; their interests diverge in important ways from those of China, which is consuming their exports. Finally, the BRICs have as many complaints among themselves – Russia is wary of expanding Chinese influence anywhere along their long shared border (and vice versa); India worries about China’s inroads into Southeast Asia and South Asia (and China is equally concerned with Indian policy); and Brazil has almost as many complaints about Chinese currency policy as does Washington – as they do with the US. Their ability to unite on positions and solve problems, as opposed to merely acknowledging them or blaming them on some other party, has yet to be demonstrated.

S&P issues a warning. Those complaints appeared vindicated on April 18, when Standard & Poor’s, one of the big three rating agencies, downgraded its outlook for US debt from stable to negative. The US held on to its AAA rating, but the warning confirmed the cries of deficit hawks that Washington must act immediately to stem a crisis of confidence in the US economy and its currency. The announcement triggered a quick 240 point drop in the Dow Jones Industrial Average, but the index recovered by the afternoon. More intriguingly, prices for US bonds dipped and then rose, indicating demand for US obligations hasn’t diminished.

S&P worries that long-term debt is unsustainable: it identifies “medium- and long-term budgetary challenges” that must be addressed by 2013. Few economists or policy makers question that judgment; they do question priorities, however. S&P concludes that there is a one in three likelihood of lowering the rating on the US in two years. Given the poisonous atmosphere in Washington, and the seeming preference for stalemate, when politicians aren’t playing legislative “chicken,” solutions may remain elusive. If that is the case, then S&P’s judgment may become more widely shared. If that happens, then there is a real threat of a loss of confidence in US leadership in the global economy.

China’s charge. The S&P announcement came on the heels of new projections by the IMF that China was poised to overtake the US as the world’s biggest economy by 2016, much sooner than expected. According to the IMF (at a nifty web page called “the datamapper”), in five years, the Chinese economy would make up a little more than 18 percent of the world’s total wealth, a jump of 4 percent from today. China’s adjusted GDP will rise from \$11.2 trillion in 2011 to \$19 trillion by 2016. In contrast, the US economy, which accounts for nearly 20 percent of global GDP, would decrease to 17.7 percent by 2016, growing from \$15 trillion today to “just” \$18.5 trillion. One analyst, ever eager for headlines, calls 2016 “the end of the Age of America.”

Don't prepare the wake just yet, though. Note the adjective: "adjusted" GDP. In this case, the adjustment is purchasing power parity, which prices goods in local currencies. That may make sense if someone is trying to see how far their RMB will go when contemplating a haircut, but as a measure of overall economic power, it is pretty meaningless. Look at wealth per capita, and China is still a distant contender for number one. Moreover, those projections are just that – extrapolations of current trends, and it is awfully optimistic to assume that China will not be rocked by some unexpected development in the coming decade.

Nevertheless, in all conversations in East Asia, there is a definite undercurrent of concern about the shifting balance of power. Regardless of the actual numbers, trends and caveats, there is a sense that China is rising and the US is retreating or on the defensive. This is the psychological context for virtually all strategic discussions in the region and the US needs to provide a reality check, both to provide some, well, reality to the debate as well as push back against the notion that it is being marginalized.

And a push from Northeast Asia. The developed economies of Northeast Asia – China, Japan, and South Korea – continue to push forward with their efforts to unite the "plus three." (Scott Snyder and See-won Byun provide a good rundown in their chapter on China-Korea relations.) This trimester, trade ministers from the governments – Chinese Commerce Minister Chen Deming, Japan's Economy, Trade and Industry Minister Banri Kaieda, and ROK Trade Minister Kim Jong-hoon – gathered in Tokyo for the eighth Trilateral Economic and Trade Ministers Meeting, at which they agreed to step up efforts to produce a trilateral free trade agreement. They have already established a Joint Study Committee that includes government officials, businesses, and academics to explore the feasibility of a three-way free trade agreement. The next step on the path to deeper integration is conclusion of a trilateral investment agreement that would include intellectual property protections and other provisions.

The ministers argued that deeper integration is designed to boost demand at a time when the US and Europe, traditional markets for the exporting nations of northeast Asia, are slumping. It will also build confidence among the three nations – no small achievement – as well as provide an anchor for broader East Asian integration. It still isn't clear to what degree Northeast Asian integration competes with or prods Southeast Asian nations to do more.

"Justice has been served"

One of President Obama's last official acts of the trimester was to give the execute order (pun intended) for a special operations raid into Pakistan to capture or kill Osama bin Laden. It worked! On May 1, Obama announced to the world that justice had finally been served; bin Laden had been killed and his body had been buried at sea, but not until after DNA evidence had conclusively proven that it was the world's most wanted fugitive that had indeed been "hiding in plain sight" in a large modern compound (vice a tiny cave) in Abbottabad, Pakistan. Reactions were largely as to be expected. Most countries in the region expressed satisfaction, albeit with varying degrees of enthusiasm, over bin Laden's death, even while some decried the violation of Pakistan's sovereignty.

Responsible Muslim organizations also breathed a sigh of relief. The Ahmadiyya Muslim Community national spokesman Harris Zafar said: “As a Muslim, I am happy that a known terrorist like Osama bin Laden has been brought down and his reign of terror has come to an end. His actions ran counter to the true, peaceful, message of Islam, and he created so much mistrust and misconception of Islam. I hope other Muslims will realize that he was not a leader of Muslims. He was only a leader of extremists.” The Council on American-Islamic Relations issued a statement saying: “We join our fellow citizens in welcoming the announcement that Osama bin Laden has been eliminated as a threat to our nation and the world through the actions of American military personnel. ... Bin Laden never represented Muslims or Islam. In fact, in addition to the killing of thousands of Americans, he and al-Qaeda caused the deaths of countless Muslims worldwide.” Not surprisingly, radical Islamic groups did not share this view. Many condemned the “assassination” of bin Laden and called for revenge attacks. Others claimed this removed “the last excuse” for western forces to remain in the Middle East, and urged their withdrawal.

A Chinese Foreign Ministry spokesperson officially noted that “We believe the death of Osama bin Laden is a milestone and a positive development for the international anti-terrorism efforts,” even as a *People’s Daily* commentary pointed out “the first issue is the legitimacy for the US to continue its anti-terrorism actions in Afghanistan and Pakistan.” More disturbingly, Zhang Xin, the director of the military channel at *China Central Television (CCTV)*, wrote in his post on *Sina.com*, China’s most active microblogging service, that “single-handedly confronting the world’s sole superpower, the United States ... Bin Laden is the greatest national hero in the history of the Arab world.” This comment then spread widely in the Chinese online community and triggered heated responses from netizens. According to *Voice of America*, a survey conducted by *Phoenix TV* among Chinese Internet users shows 60 percent of those interviewed felt “sad” about bin Laden’s death.

Counterterrorism organizations throughout East Asia applauded bin Laden’s death but cautioned that terrorist organizations and activities, especially in Southeast Asia, would not be negatively impacted and could be energized. Philippine security officials said they expect bin Laden’s death to weaken local Islamic extremists and lead to their eventual elimination, but a captured Abu Sayyaf commander said his comrades have hardly been affected by previous foreign setbacks. Police and counter-terrorism units throughout the region strengthened security in anticipation of possible revenge attacks.

Regional Chronology **January – April 2011**

Jan. 3-7, 2011: US Special Envoy for North Korea Stephen Bosworth visits Seoul, Beijing and Tokyo and meets “senior government officials to discuss next steps on the Korean Peninsula.”

Jan. 9-14, 2011: US Secretary of Defense Robert Gates visits China, Japan and South Korea.

Jan. 11, 2011: The Field of Peaceful Uses of Nuclear Energy Agreement, also known as the US-Russia 123 Agreement, is entered into force as US Ambassador to Russia John Beyrle exchanges diplomatic notes with Russian Deputy Foreign Minister Sergei Ryabkov in Moscow.

Jan. 12-19, 2011: The 11th National Congress of the Communist Party of Vietnam (CPV) is held in Hanoi and names Nguyen Phu Trong as the new general secretary of the party.

Jan. 18-21, 2011: Chinese President Hu Jintao makes a state visit to the US with stops in Washington and Chicago and meets President Barack Obama.

Jan. 20, 2011: South Korea accepts North Korea's proposal to hold high-level military talks.

Jan. 23-25, 2011: Chinese State Councilor Dai Bingguo visits Russia to attend the fifth round of China-Russia Strategic Security Talks.

Jan. 27-28, 2011: The US and the Philippines hold their first-ever Strategic Dialogue in Manila bringing together officials from the respective foreign affairs and defense departments. Assistant Secretary of State Kurt Campbell promises US aid to the Philippine navy to help increase its patrol capabilities in surrounding waters.

Jan. 26-28, 2011: A US delegation led by Deputy Secretary of State James Steinberg visits South Korea, Japan, and China to discuss the Korean Peninsula.

Feb. 4-6, 2011: The 47th Munich Security Conference is held. US Secretary of State Hillary Clinton and Russian Foreign Minister Sergei Lavrov attend and exchange instruments of ratification to bring the New Strategic Arms Reduction Treaty into force.

Feb. 4-6, 2011: At least five people are killed and several injured in clashes between Thai and Cambodian troops over a disputed border area near the Preah Vihear temple.

Feb. 7, 2011: Taiwan demands a public apology and announces the recall of its representative to Manila and tightened visa regulations for Philippine workers in response to the deportation of Taiwanese to China rather than Taiwan after they were arrested by Philippine authorities.

Feb. 7, 2011: Japanese Prime Minister Kan Naoto speaking at a Northern Territories Day rally in Tokyo marking the anniversary of an 1855 treaty demands the return of the islands.

Feb. 7-18, 2011: The 30th annual *Cobra Gold*, one of the world's largest military exercises involving 17,000 personnel, is held in Thailand. Military forces from Thailand, the US, Japan, South Korea, Singapore, and Malaysia participate.

Feb. 8, 2011: *US National Military Strategy 2011* is released.

Feb. 8-9, 2011: North and South Korea hold colonel-level military talks in Panmunjom but fail to reach agreement on an agenda for higher level talks or a date for further preliminary talks.

Feb. 9, 2011: President Dmitry Medvedev announces at a meeting of defense and regional development ministers in Moscow that Russia will deploy additional weapons on the disputed Kuril Islands (Japan refers to these islands as Northern Territories).

Feb. 9-10, 2011: Philippine government and representatives from the Moro Islamic Liberation Front (MILF) meet in Kuala Lumpur for peace talks for the first time since President Benigno Aquino took office in June 2010.

Feb. 13-14, 2011: Chinese Minister of Public Security and State Councilor Meng Jianzhu visits Pyongyang and meets several leaders including Minister of People's Security Ju Sang Song. They sign an agreement on cooperation between the two security ministries.

Feb. 14, 2011: Thailand's Foreign Minister Kasit Piromya and Cambodia's Foreign Minister Hor Namhong present arguments to the United Nations Security Council regarding the disputed border area near the Preah Vihear temple. They also hold separate talks mediated by Indonesian Foreign Minister Marty Natalegawa.

Feb. 15-21, 2011: Philippines government and the communist National Democratic Front (NDF) – the political wing of the Communist Party of the Philippines (CPP) – hold peace negotiations and agree to complete the talks in 18 months.

Feb. 18, 2011: Indonesian Vice Minister of Defense Sjafrie Sjamsoedin visits Beijing and meets Defense Minister Liang Guanglie. They pledge to promote bilateral defense cooperation.

Feb. 22, 2011: ASEAN Chairman and Indonesian Foreign Minister Marty Natalegawa announces that teams of up to 20 civilians and “unarmed” military officers will monitor each side of the border of Cambodia and Thailand near the Preah Vihear temple.

Feb. 23-24, 2011: Chinese Foreign Minister Yang Jiechi visits Seoul to discuss the North Korean nuclear issue with his South Korean counterpart Kim Sung-hwan. He calls for inter-Korean dialogue and expresses hope that the Six-Party Talks will resume as soon as possible.

Feb. 28-April 30, 2011: South Korea and US conduct the annual *Foal Eagle/Key Resolve* military exercises. *Key Resolve* is a computer-based simulation and runs through March 10. *Foal Eagle* is the field training portion of the exercise, and will continue through April 30.

March 2, 2011: Chinese naval boats harass a Philippine oil exploration vessel near the Spratly Islands Reed Bank.

March 7, 2011: Australian Prime Minister Julia Gillard visits President Obama at the White House where they discuss climate change, Afghanistan, Libya, and trade. President Obama praised Australia as one of America's strongest allies.

March 8, 2011: Malaysian authorities intercept what they suspect to be WMD-related material inside two cargo containers onboard the *Bunga Raya I*, which was traveling from China to Iran.

March 8-13, 2011: Assistant Secretary for East Asian and Pacific Affairs Kurt Campbell travels to Japan, Mongolia, and South Korea for consultations.

March 9, 2011: Matsumoto Takeaki replaces Maehara Seiji as Japan's foreign minister.

March 11, 2011: An earthquake measuring 9.0 on the Richter scale hits the Tohoku region of Japan resulting in a massive tsunami with estimates of damage as high as \$300 billion.

March 11-12, 2011: Asia-Pacific Economic Cooperation (APEC) Senior Officials Meeting (SOM) is held in Washington.

March 14-19, 2011: The ASEAN Regional Forum (ARF) conducts a disaster relief exercise in Manado, Indonesia.

March 22-24, 2011: South Korea and the US conduct the *Combined Joint Logistics over the Shore* military amphibious logistic support exercise in the West Sea near Anmyeon Island. It is the first joint logistic support exercise to occur in the West Sea.

March 28-31, 2011: Trade officials from Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, US, and Vietnam meet in Singapore for the sixth round of negotiations on the Trans-Pacific Partnership (TPP) trade agreement.

March 31, 2011: Beijing releases its 2010 Defense White Paper.

April 5-15, 2011: The US and the Philippines conduct the 27th annual *Balikatan* (shoulder-to-shoulder) bilateral military exercises in the Philippines.

April 9, 2011: Indonesia convenes a special ASEAN-Japan Ministerial Meeting co-chaired by Indonesian Foreign Minister Marty and Japanese Foreign Minister Matsumoto Takeaki to discuss ASEAN-Japan cooperation on the management of disasters in the region.

April 11, 2011: North Korean Vice Foreign Minister Kim Kye Gwan meets China's Special Representative for Korean Peninsula Affairs Wu Dawei in Beijing. They agree on three-stage process to resume the stalled Six-Party Talks.

April 11, 2011: Foreign ministers and diplomats from ASEAN member countries hold a Special Informal ASEAN Foreign Ministers Meeting on the East Asian Summit (EAS) in Bangkok.

April 13, 2011: ROK Special Representative for Korean Peninsula Peace and Security Affairs Wi Sung-lac visits Washington and meets Special Representative for North Korea Policy Steven Bosworth and Special Envoy for Six-Party Talks Sung Kim to discuss North Korea issues.

April 14, 2011: Chinese President Hu Jintao, Brazilian President Dilma Rousseff, Russian President Dmitry Medvedev, Indian Prime Minister Manmohan Singh, and South African President Jacob Zuma meet in Sanya, Hainan to coordinate their stance on major economic and international issues.

April 14, 2011: Derek Mitchell is nominated to become special envoy to Burma.

April 14, 2011: Philippine Department of Foreign Affairs confirms that it filed a formal protest in the UN over China's so-called "nine-dash line" territorial claim over the South China Sea.

April 15, 2011: South Korea announces that it plans to establish a missile defense system to protect major cities and military installations by 2015.

April 15-16, 2011: The annual meeting of the Boao Forum for Asia is held in Hainan.

April 16-17, 2011: Secretary of State Hillary Clinton visits Seoul and Tokyo. In Seoul she meets President Lee Myung-bak and Foreign Minister Kim Sung-hwan to discuss cooperation on regional issues. In Tokyo, she will meet Prime Minister Naoto Kan Naoto and Foreign Minister Matsumoto Takeaki and other Japanese senior officials.

April 18, 2011: Singapore's Senior Minister Goh Chok Tong visits Beijing and meets Premier Wen Jiabao.

April 20, 2011: UN Security Council (UNSC) extends the mandate of UNSCR 1540 Committee for 10 years by unanimously passing UNSCR 1977.

April 20-28, 2011: Australian Prime Minister Julia Gillard visits Japan, South Korea, and China to promote Australia's strategic and economic interests.

April 27, 2011: China's Special Representative for Korean Peninsula Affairs Wu Dawei visits Seoul and meets his counterpart Wi Sung-Lac and Foreign Minister Kim Sung-Hwan to discuss inter-Korean relations and the North Korean nuclear issue.

April 27-28, 2011: Chinese Prime Minister Wen Jiabao visits Malaysia and meets Prime Minister Najib Razak. They agree to enhance high-level exchange and mutual trust, while deepening bilateral cooperation in trade, investment, finance, maritime, law enforcement, and in addressing international and regional issues.

April 24-29, 2011: Former US President Jimmy Carter, former Finnish President Martti Ahtisaari, former Norwegian Prime Minister Gro Brundtland, and former Irish President Mary Robinson visit China, North Korea, and South Korea in an effort to "ease tensions on the Korean Peninsula."

April 28-29, 2011: Thailand and Cambodia announce an agreement to end fighting on their shared border after seven days of clashes. The ceasefire is broken the following day.

April 29, 2011: The ASEAN Defense Senior Officials Meeting (ADSOM) Plus is held in Yogyakarta to finalize defense cooperation concepts including maritime security, humanitarian assistance and disaster relief, peacekeeping operations, counter terrorism and military medicine.

April 29-30, 2011: Chinese Premier Wen Jiabao visits Indonesia and meets President Susilo Bambang Yudhoyono and other Indonesian leaders to promote the strategic partnership.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



US-Japan Relations: Responding to Multiple Crises

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The earthquake, tsunami, and nuclear disaster that struck Japan on March 11 tested the leadership credentials of the Kan government and the capacity for alliance coordination in response to simultaneous crises. With the exception of disconnects in assessing the nature of the nuclear emergency at the Fukushima Daiichi plant, the March 11 tragedy revealed the strength of the alliance as the Obama administration further demonstrated US solidarity with Japan by announcing a partnership for reconstruction to support Japan's recovery. Prime Minister Kan reshuffled his Cabinet for the second time and unveiled a policy agenda aimed at "the opening of Japan" but faced scrutiny for failing to usher budget-related legislation through a divided Diet. Bilateral diplomacy proceeded apace and was aimed at advancing economic and security cooperation though a controversy over alleged remarks about Okinawa by a senior US diplomat had the potential to cause another crisis in the alliance.

Japanese domestic politics: Kan under pressure

Prime Minister Kan Naoto began the year by reshuffling his Cabinet for the second time since assuming office in June 2010 to boost his sagging popularity and prepare for a heated budget battle in the Diet. The biggest surprise was the new Minister of Economic and Fiscal Policy Yosano Kaoru, a fiscal hawk and former Liberal Democratic Party (LDP) member who had criticized Kan's predecessor Hatoyama Yukio as the "king of tax evasion" when Hatoyama was embarrassed by a funding scandal last year. Kan also appointed Edano Yukio as chief Cabinet secretary to replace Sengoku Yoshito, who was censured by the Diet last fall, while retaining Foreign Minister Maehara Seiji and Defense Minister Kitazawa Toshimi and shifting Yosano's predecessor Kaieda Banri to the Ministry of Economy, Trade and Industry. The new Cabinet appeared designed to project continuity on foreign and security policy and ingenuity with respect to an economic growth strategy but Kan struggled to develop momentum right out of the gate.

Kan addressed the Diet on Jan. 24 and employed the theme "opening of Japan" to outline a comprehensive policy agenda including social security reform, trade liberalization, and renewed diplomacy in the Asia-Pacific, but fresh rhetoric could not mask the reality that with the ruling Democratic Party of Japan (DPJ) lacking a majority in the Upper House (the result of a poor showing in an election last summer), the LDP could block legislation needed to enact his record \$1 trillion budget for the fiscal year beginning April 1. (The Lower House can pass the budget without Upper House consent but related bills must pass both chambers.) His budget appeared even more conspicuous after Standard and Poor's (S&P) downgraded Japan's sovereign debt rating on Jan. 27 due to concerns about the public debt and political paralysis. Kan's attention to economic matters also came into question when he said he was unaware of the S&P decision

when queried by reporters, and some analysts wondered why he didn't take advantage of this development to bolster his case for fiscal discipline and tax reform, which he had advocated as finance minister under Hatoyama and was why he presumably brought Yosano into the fold to champion. Kan subsequently vowed to introduce tax reform legislation but found himself in a defensive position at the outset of a contentious Diet session centered on the fiscal policy debate.

The indictment on Jan. 31 of former DPJ secretary general and Kan rival Ozawa Ichiro over an alleged funding scandal at first glance appeared to strengthen Kan's hand, but served only to further his image as the leader of a divided party. In mid-February, 16 Ozawa supporters petitioned DPJ Secretary General Okada Katsuya to form a separate bloc within the Diet that would not necessarily support the government on key legislation. That request was denied but added an element of dissension within DPJ ranks that compounded the pressure Kan was already facing from the LDP. The following week, one day after the party voted to suspend Ozawa (prohibiting him from running for party president, a post he held from 2006-2009), one of his loyalists, Kenko Matsuki, resigned as parliamentary secretary in the Ministry of Agriculture, Forestry, and Fisheries and criticized Kan for failing to manage Diet affairs and secure the passage of the budget. Kan's approval rating had fallen below 20 percent in some polls and the public appeared increasingly frustrated by the stalemate over the budget. Kan tried to strike deals with the Social Democratic Party (SDP) and others to get budget bills through the Upper House but could not find any takers. He also threatened to call a snap election, though that carried little weight as most pundits predicted the DPJ would lose. But just as this political drama reached its zenith and Kan's own political position seemed doomed, Japan suffered a natural disaster of unprecedented proportion that quickly shifted the focus of the Kan government to crisis management.

“3-11”

On March 11 a magnitude-9.0 earthquake struck off the coast of the Tohoku region in northeastern Japan and triggered a massive tsunami that devastated coastal areas and crippled the Fukushima Daiichi nuclear power plant in Fukushima Prefecture. This triple disaster, which took over 14,000 lives and caused upward of \$300 billion in damage according to initial Japanese government estimates, necessitated the simultaneous coordination of disaster-relief efforts in Tohoku and the response to a developing nuclear emergency at Fukushima Daiichi, a daunting challenge for any government and one that would test the leadership credentials of Prime Minister Kan. One hundred thousand Self-Defense Forces (SDF) personnel were dispatched to Tohoku and led search-and-rescue and relief efforts in close coordination with the US military (more below). The central government also had to coordinate closely with Tokyo Electric Power Company (TEPCO), the operator of the plant, on the effort to restore power, cool down the reactors, and prevent the release of radioactive materials. On March 12, one of the reactors was damaged in a hydrogen explosion that occurred hours after Prime Minister Kan had visited the plant to take stock of the situation, an incident which accentuated the extent of the nuclear emergency but also became a source of criticism among Kan's detractors who questioned his decision to inspect the facility as the crisis was still evolving. The Kan government was increasingly blamed for difficulties in coordinating with TEPCO and disseminating information to the public in the days and weeks that followed as the situation at Fukushima Daiichi deteriorated. After a brief respite from bitter partisanship and rancor within

the DPJ, Kan once again became a target as public frustration with the government's handling of the nuclear crisis mounted.

On March 17, Kan brought Sengoku Yoshito back into the government as deputy chief Cabinet secretary to help coordinate the government response to the disaster. Kan also reportedly contacted LDP President Tanigaki Sadakazu on March 19 and proposed a grand coalition between the two parties. Tanigaki turned down that offer, but the LDP promised to cooperate on an emergency supplemental budget to fund earthquake recovery and reconstruction efforts. (A \$49 billion supplemental passed the Lower House unanimously on April 30.) Public opinion polls indicated majority support for a grand coalition but the groundwork had not been laid and the LDP concentrated more on critiquing the government's response to the crisis. The DPJ then suffered severe setbacks in unified local elections held April 10 and 24, further eroding support at the grassroots level and prompting Hatoyama and Ozawa to openly criticize Kan and maneuver behind the scenes to seek his ouster. A *Nikkei Shimbun* poll dated April 17 found 70 percent of the public dissatisfied with the government's response to the disaster and 69 percent of respondents suggested the prime minister should be replaced. The Kan Cabinet approval rating stood at 27 percent, but the LDP proved more popular than the DPJ by a margin of 34 to 24 percent. In an example of how twisted Japanese politics had become, Ozawa Ichiro topped the list of most desirable candidates for prime minister with 9.2 percent of responses to an open-ended question about political leaders in a *Fujisankei* poll released April 26. Though the political winds looked less and less favorable for Kan, there was a fair chance he would remain in office given the risk associated with a leadership change in the middle of a crisis, the absence of a clear successor, and little indication that a grand coalition would take form. But nothing could be ruled out in such an unpredictable political environment.

A flurry of bilateral diplomacy

Foreign Minister Maehara visited Washington Jan. 6-7 to confer with Secretary of State Hillary Clinton, Vice President Joe Biden, and other senior officials on a range of issues including bilateral security cooperation with an eye toward a Security Consultative Committee or "2+2" meeting sometime in the spring followed by a visit to Washington by the prime minister in the first half of the year. Maehara also addressed the Center for Strategic and International Studies (CSIS) and underscored an emphasis on economic diplomacy and the need to develop "institutional foundations" in the Asia-Pacific region based on rules and norms; examples included US and Japanese leadership in multilateral institutions such as the East Asia Summit (EAS) and the Asia-Pacific Economic Cooperation (APEC) forum and the Trans-Pacific Partnership as an important first step toward the realization of a Free Trade Area of the Asia-Pacific (FTAAP).

Senior US officials also traveled to Japan in the first month of the year, though focused more narrowly on security cooperation. Defense Secretary Robert Gates met Defense Minister Kitazawa, Prime Minister Kan and Foreign Minister Maehara in mid-January and was soon followed by US Pacific Command Commander Adm. Robert Willard, who visited Gen. Oriki Ryoichi, chief of staff, Joint Staff, Japan Self-Defense Forces and other officials for regular consultations. US Special Representative for North Korea Policy Stephen Bosworth met Vice Foreign Minister Sasae Kenichiro in Tokyo on Jan. 7 to discuss next steps on the Korean

Peninsula and Deputy Secretary of State James Stenberg visited Foreign Minister Maehara and other officials at the end of January to discuss North Korea and other regional issues. This series of consultations at senior levels seemed designed to build on dialogue last year in response to North Korean provocations and Chinese assertiveness in the region.

The Kan government also engaged the government in Okinawa regarding a thorny issue in US-Japan relations – the impasse over the relocation of Marine Corps Air Station Futenma. Though Okinawan public opinion remained opposed to relocating the facility within the prefecture, a position reiterated by Governor Nakaima Hirokazu, Defense Minister Kitazawa, Chief Cabinet Secretary Edano, and Foreign Minister Maehara all visited the prefecture within a 10-day period at the end of January to explore a way forward. Any hopes that these efforts would at least improve the dynamic between the central government and local officials were dashed, however, when in mid-February former Prime Minister Hatoyama noted in an interview with Okinawa media that his justification for endorsing the May 28, 2010, agreement between the US and Japan regarding the relocation of US forces on Okinawa – the importance of the US presence for deterrence – was an expedient excuse (*hōben*). Hatoyama had promised to relocate Futenma outside the prefecture for months but reversed course abruptly last spring after failing to produce viable alternatives and declaring to the media that he finally understood the importance of deterrence. Explaining that away as a political expediency proved offensive to many in Okinawa and demonstrated his capacity to adversely affect the bilateral relationship even after leaving office. How the two governments would address Futenma in the tentatively planned 2+2 remains an open question.

The Week of March 6

Washington lost a close partner in shaping the agenda for the US-Japan alliance when on March 6 Foreign Minister Maehara abruptly resigned his Cabinet post for accepting funds from a South Korean resident of Japan in violation of the Political Funds Control Law. Maehara claimed he had no direct knowledge of the donations, which totaled approximately \$2,400, but chose to step aside rather than subject the government to intense scrutiny amid the fierce budget battle in the Diet. (Prime Minister Kan acknowledged on March 11 that his campaign office unknowingly received approximately \$12,500 in donations from a South Korean national but refused to resign, saying the individual listed a Japanese name.) On March 9, Kan appointed State Secretary for Foreign Affairs Matsumoto Takeaki to succeed Maehara and orchestrate a seamless transition, but Maehara was a popular figure in the US and his departure came as a shock.

Okinawa also resurfaced in a bilateral context, this time in comments attributed to a senior US diplomat. On March 6, *Kyodo News* published a story alleging that State Department Director of Japan Affairs Kevin Maher made disparaging remarks about the people of Okinawa during a meeting with a group of students in December 2010. Drawing from what the story claimed were notes taken by students who attended the meeting, Maher allegedly referred to the people of Okinawa as lazy and “masters of manipulation and extortion” in their relations with the central government. Maher refused to comment on what was understood to be an off-the-record session with students preparing to embark on a study tour to Japan but the story generated a great deal of ill will and led Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell to repeatedly express regret for the controversy during a previously scheduled trip to Tokyo March

9-10. Campbell also announced during a roundtable with reporters on March 10 that Rust Deming would return to the State Department to serve as Director of Japan Affairs. The decision to remove Maher from his post was taken ostensibly to prevent another crisis in the alliance centered on the US military presence in Okinawa. But on March 11 the strength of the alliance would be tested in response to a very different set of crises.

Response to “3-11”

The US government moved quickly to support Japan in responding to the March 11 triple disaster. President Obama issued a statement the day of the tragedy sending condolences to the people of Japan and pledging US assistance. On March 13, the White House issued a statement on the US response including the dispatch by the US Agency for International Development of a Disaster Assistance Response Team to Japan including nuclear experts from the Nuclear Regulatory Commission (NRC) and the positioning of the *USS Ronald Reagan* Carrier Strike Group off the coast of Japan to support the SDF in search-and-rescue and refueling efforts. The SDF and US military quickly established a joint coordination center and engineered what became the largest bilateral mission in the history of the alliance in what US forces dubbed *Operation Tomodachi*, or “friend” in Japanese. At its peak, this humanitarian relief operation involved approximately 16,000 US military personnel, 20 ships and 140 aircraft. The mission was generally viewed in a positive light and demonstrated the importance of the alliance as a public good and interoperability between US and Japanese forces.

On the financial front, the Bank of Japan elected to hold interest rates at 0-0.1 percent on March 14 and expand an asset purchasing program to support monetary easing. The Nikkei average closed down 6 percent that day but gradually rebounded. The US and other G7 nations conducted a joint intervention in currency markets on March 18 to help stabilize the yen and Finance Minister Noda Yoshihiko thanked Treasury Secretary Timothy Geithner for US leadership in that effort during a visit to Washington April 14-15 for a meeting of G20 finance ministers and central governors. The G20 issued a communiqué that included a message of solidarity with the Japanese people and confidence in the resilience of the Japanese economy and financial sector.

One area of disconnect was in the US and Japanese governments’ assessments of the radiation danger at the Fukushima Daiichi nuclear plant. On March 13, authorities in Japan established an exclusion zone 20 km around the plant to guard against the spread of radioactive material. But on March 16, during congressional testimony in Washington, NRC Chairman Gregory Jaczko offered a much more grave assessment of the situation at Fukushima Daiichi, suggesting that radiation levels were extremely high and that there was little water left in a pool storing spent fuel in one of the reactors, leaving fuel rods exposed to the atmosphere. Jaczko also recommended an 80-km exclusion zone for US citizens, four times the size of the Japanese perimeter, which seemed to suggest fundamentally divergent views on the nature of the nuclear emergency. Later that day, the State Department issued a travel warning advising US citizens against traveling to Japan, those in Japan to consider departing, and authorizing the voluntary departure from Japan of eligible family members of US government personnel in Tokyo, Nagoya, and Yokohama. President Obama then delivered remarks at the White House on March 17 to reiterate US support for Japan while elaborating on these decisions with respect to the

nuclear emergency. The following week the two governments established bilateral working groups focused on Fukushima Daiichi to improve coordination in an otherwise impressive joint response to the triple disaster of March 11.

Secretary of State Clinton visited Tokyo on April 17 to reiterate a message of US solidarity with Japan and met Prime Minister Kan, Foreign Minister Matsumoto, and the Emperor and Empress. During a press conference with Keidanren Chairman Yonekura Hiromasa and US Chamber of Commerce President and CEO Thomas Donohue, Foreign Minister Matsumoto and Secretary Clinton announced a public-private partnership for reconstruction to enhance cooperation between Japanese and American businesses and between civil society groups and public officials. Clinton and Matsumoto discussed these plans further on April 29 in Washington but also covered other issues including North Korea, the Middle East, and plans for a 2+2 meeting, perhaps a sign that the initial crisis response phase had ended and the governments could refocus on crafting a future vision for the alliance.

One month after the triple disaster, CSIS and the Japanese Business Federation Keidanren established a Partnership for Recovery Task Force chaired by Boeing Chairman, President and CEO Jim McNerney. The CSIS Task Force will work in cooperation with Keidanren and then produce independent recommendations to strengthen US-Japan relations and assist Japan with the medium and long-term process of recovery and reconstruction.

The next few months

Prime Minister Kan will likely brief his colleagues on Japan's recovery efforts and the prospects for the Japanese economy during the G8 Summit scheduled for May 26-27 in Deauville, France. Back at home, the debate over the budget, fiscal policy writ large, and the Kan government's response to the March 11 disaster should feature prominently in the current Diet session scheduled to end in late June. Kan is also expected to visit the US at the end of June. The Obama administration will host a series of preparatory meetings in the lead-up to the Asia Pacific Economic Cooperation (APEC) forum scheduled for November in Hawaii. Washington and Tokyo could settle on a date for a 2+2 meeting and put forth a framework for bilateral security cooperation. Political maneuvering within the DPJ and the Diet as a whole in the coming weeks and months will also determine whether Kan stays on as prime minister until the next issue of *Comparative Connections*.

Chronology of US-Japan Relations January – April 2011

Jan. 6, 2011: Foreign Minister (FM) Maehara Seiji meets Secretary of State Hillary Clinton in Washington to discuss bilateral security cooperation and addresses the Center for Strategic and International Studies.

Jan. 7, 2011: US Special Representative for North Korea Policy Stephen Bosworth meets Vice Foreign Minister Sasae Kenichiro to discuss next steps on the Korean Peninsula.

Jan. 7, 2011: FM Maehara meets Vice President Joe Biden in Washington.

Jan. 12, 2011: Democratic Party of Japan (DPJ) Secretary General Okada Katsuya hints at revisions in the party's policy platform in announcing that party leaders would reexamine the 2009 election manifesto.

Jan. 13-14, 2011: Defense Secretary Robert Gates meets with Prime Minister (PM) Kan Naoto, FM Maehara, and Defense Minister Kitazawa Toshimi in Tokyo and delivers remarks at Keio University.

Jan. 14, 2011: PM Kan reshuffles his Cabinet.

Jan. 17, 2011: A *Yomiuri Shimbun* poll posts a 34 percent approval rating for the new Kan Cabinet. *Asahi Shimbun* reports 26 percent approval and *Nikkei Shimbun* records 31 percent.

Jan. 20, 2011: PM Kan refers to the US-Japan alliance as the cornerstone of Japanese foreign policy in a speech on diplomacy in Tokyo.

Jan. 20, 2011: Defense Minister Kitazawa visits Okinawa and meets Gov. Nakaima Hirokazu to discuss US basing issues.

Jan. 21, 2011: FM Maehara and US Ambassador to Japan John Roos sign a five-year agreement on host nation support for US forces in Japan.

Jan. 21, 2011: Chief Cabinet Secretary Edano Yukio visits Okinawa and meets Gov. Nakaima to discuss US basing issues and economic development.

Jan. 24, 2011: PM Kan introduces the theme "Heisei-Era opening of Japan" and outlines policy priorities including trade liberalization and social security reform in an address to the Diet.

Jan. 25-28, 2011: Adm. Robert Willard, commander, US Pacific Command, visits Japan and meets Gen. Oriki Ryoichi, chief of staff, Joint Staff, Japan Self Defense Forces (SDF).

Jan. 27, 2011: Standard and Poor's downgrades Japan's sovereign debt due to concerns about the fiscal deficit.

Jan. 27, 2011: Opposition lawmakers demand that former DPJ Secretary General Ozawa Ichiro deliver unsworn testimony in the Diet over his alleged involvement in a funding scandal.

Jan. 27, 2011: Deputy Secretary of State James Steinberg meets FM Maehara and other senior officials to discuss issues including regional security and developments on the Korean Peninsula.

Jan. 29, 2011: FM Maehara meets Gov. Nakaima in Okinawa and asks residents to accept a US-Japan agreement on the relocation of Futenma within in the prefecture.

Jan. 31, 2011: DPJ Secretary General Ozawa is indicted for alleged involvement in a political funding scandal.

Feb. 4, 2011: Fifty-six percent of the Japanese public believes Ozawa should resign according to a survey published by the *Yomiuri Shimbun*.

Feb. 8, 2011: *US National Military Strategy 2011* is released and references work with the SDF to improve their out-of-area operational capabilities.

Feb 8, 2011: US Department of Transportation releases the results of a study on unintended acceleration in Toyota vehicles, which found no electrical flaws in Toyota vehicles that would create high-speed unintended acceleration incidents.

Feb. 12, 2011: A *Kyodo News* poll finds the Kan Cabinet approval rating at 19.9 percent.

Feb. 13, 2011: Okinawa newspaper *Ryukyu Shimpo* publishes an interview with former PM Hatoyama Yukio in which he states that his justification for the agreement between the US and Japan regarding the relocation of US forces on Okinawa was an expedient excuse (*hōben*).

Feb. 14, 2011: Japanese government confirms that China had surpassed Japan as the world's second largest economy in 2010.

Feb. 17, 2011: Kan Cabinet's approval rating falls to a low of 17.8 percent according to a *Jiji News* survey.

Feb. 22, 2011: Moody's Investors Service changes its outlook on Japan's Aa2 credit rating to "negative" from "stable" citing concerns about public debt.

Feb. 23, 2011: Kenko Matsuki resigns as parliamentary secretary in the Ministry of Agriculture, Forestry, and Fisheries to protest PM Kan's management of the government.

March 1, 2011: The Lower House of the Diet passes a record ¥92.4 trillion (\$1.1 trillion) budget for the fiscal year beginning April 1, 2011, and sends it to the Upper House for consideration.

March 6, 2011: FM Maehara resigns for accepting donations from a foreign national to his political office, a violation of the Political Funds Control Law.

March 6, 2011: *Kyodo News* publishes a story alleging that State Department Director of Japan Affairs Kevin Maher made disparaging remarks about the people of Okinawa during a meeting with a group of students in December 2010.

March 7, 2011: *Yomiuri Shimbun* issues a survey in which 51 percent of voters think PM Kan should resign and 56 percent say they would blame the government and the DPJ if bills to enact the budget for fiscal year 2011 are not passed.

March 8, 2011: US Ambassador John Roos calls Chief Cabinet Secretary Edano to express regret that news reports about controversial remarks attributed to a senior US official had caused offense in Okinawa.

March 9, 2011: PM Kan appoints Matsumoto Takeaki to succeed Maehara Seiji as foreign minister.

March 10, 2011: Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell and Assistant Secretary of Defense for Asian and Pacific Security Affairs Wallace Gregson discuss a range of issues related to the US-Japan alliance with FM Matsumoto, Defense Minister Kitazawa, and other senior officials.

March 10, 2011: During a media roundtable in Tokyo Campbell expresses regret for the controversy surrounding alleged statements concerning the people of Okinawa and announces that Rust Deming would return to the State Department to serve as Director of Japan Affairs.

March 11, 2011: PM Kan acknowledges that his campaign office unknowingly received donations from a foreign national and refuses to resign.

March 11, 2011: A magnitude-9.0 earthquake strikes off the northeast coast of Japan, generating a tsunami that devastates coastal areas and damages the Fukushima Daiichi nuclear power plant in Fukushima prefecture.

March 11, 2011: President Obama issues a statement sending condolences to the people of Japan and pledging US assistance.

March 11, 2011: State Department issues a travel alert advising US citizens to avoid travel to Japan.

March 12, 2011: Prime Minister Kan visits Fukushima Prefecture to take stock of the situation at the Fukushima Daiichi nuclear power plant.

March 13, 2011: Japanese government announces a 20-km evacuation zone around the Fukushima Daiichi nuclear power plant.

March 13, 2011: White House issues a press statement on the US response to the earthquake and tsunami in Japan including the dispatch by the US Agency for International Development of a Disaster Assistance Response Team to Japan including nuclear experts from the Nuclear Regulatory Commission (NRC) and the positioning of the *USS Ronald Reagan* Carrier Strike Group off the coast of Japan to support the SDF in search-and-rescue and refueling efforts.

March 14, 2011: *USS Ronald Reagan* and the Carrier Strike Group move further away from the Fukushima Daiichi nuclear power plant due to radiological concerns.

March 15, 2011: FM Matsumoto and Secretary Clinton meet on the margins of the G8 Foreign

Ministers Meeting in Paris to discuss efforts to respond to the earthquake and tsunami and other bilateral issues.

March 16, 2011: Emperor Akihito delivers a message to the public in his first-ever nationally televised address.

March 16, 2011: Gregory Jaczko, chairman of the NRC, offers the first US government assessment of the emergency at the Fukushima Daiichi nuclear plant and announces an evacuation zone for US citizens four times larger than that issued by the Japanese government.

March 16, 2011: The *USS Ronald Reagan* and the Carrier Strike Group reposition to the north but operate out of the area affected by the earthquake and tsunami.

March 16, 2011: President Obama discusses the latest developments in Japan's response to the earthquake and tsunami in a telephone call with PM Kan.

March 16, 2011: State Department issues a travel warning advising US citizens against traveling to Japan, those in Japan to consider departing, and authorizing the voluntary departure from Japan of eligible family members of US government personnel in Tokyo, Nagoya, and Yokohama.

March 17, 2011: A US Air Force *Global Hawk* unmanned aerial vehicle and *U2* spy planes fly over the Fukushima Daiichi nuclear plant to survey damage.

March 17, 2011: Defense Secretary Robert Gates authorizes \$35 million in initial Defense Department funds for humanitarian assistance to Japan.

March 17, 2011: President Obama signs a book of condolence messages for the victims of the March 11 disaster at the Embassy of Japan in Washington and delivers remarks on the situation in Japan, summarizing US relief efforts and explaining the decision to recommend an evacuation of US citizens around the Fukushima Daiichi plant.

March 18, 2011: The Group of Seven (G7) industrial nations conduct a joint intervention in currency markets to help stabilize the yen.

March 19, 2011: PM Kan reportedly calls Liberal Democratic Party (LDP) President Tanigaki Sadakazu and invites him to join the Cabinet and form a grand coalition government between the DPJ and LDP.

March 21, 2011: The World Bank estimates that the March 11 disaster caused up to \$235 billion in damage.

March 22, 2011: Secretary of State Clinton signs a book of condolence messages for the victims of the March 11 disaster at the Embassy of Japan in Washington.

March 22, 2011: The US and Japanese governments establish a joint working group on the Fukushima Daiichi accident comprised of officials from various government agencies.

March 22, 2011: The US Food and Drug Administration bans imports of milk, milk products, and produce from six prefectures in Japan due to concerns about radioactive contamination.

March 23, 2011: Cabinet Office estimates damage from the March 11 disaster of up to \$300 billion.

March 23, 2011: US Ambassador to Japan John Roos, US Pacific Command Commander Adm. Robert Willard, and US Agency for International Development Office of Foreign Disaster Assistance Director Mark Bartolini travel to the area devastated by the tsunami.

March 28, 2011: NRC Chairman Gregory Jaczko travels to Tokyo to meet Japanese counterparts and assess the situation at the Fukushima Daiichi nuclear plant.

April 1, 2011: Approximately 18,000 SDF and 7,000 US military personnel begin a three-day joint operation to find people missing since the March 11 disaster.

April 5, 2011: A *Yomiuri Shimbun* poll finds 64 percent of the public supports a grand coalition between the DPJ and LDP. Sixty-one percent expressed dissatisfaction with the government's handling of the crisis at the Fukushima Daiichi nuclear plant. The Kan Cabinet's approval rating stood at 31 percent with a disapproval rating of 56 percent.

April 7, 2011: The Bank of Japan keeps interest rates unchanged at 0-0.1 percent and creates a special lending facility to offer low-interest loans to financial institutions in areas hardest hit by the March 11 disaster.

April 10, 2011: The DPJ suffers a setback in the first round of unified local elections, losing three key gubernatorial races and faring poorly in prefectural assembly elections.

April 11, 2011: A message of thanks from PM Kan to the international community appears in several Western newspapers.

April 12, 2011: Japanese government raises the severity level of the emergency at the Fukushima Daiichi nuclear plant from level five to the maximum seven on an international scale.

April 14-15, 2011: Finance ministers and central bank governors of the G20 convene in Washington, and issue a communiqué including a message of solidarity with the Japanese people and confidence in the resilience of the Japanese economy and financial sector.

April 15, 2011: Japan's Finance Minister Noda Yoshihiko meets Treasury Secretary Timothy Geithner in Washington to express thanks for the March 18 G7 intervention in financial markets to stabilize the yen and for US support of Japan's recovery efforts.

April 15, 2011: State Department lifts the travel warning for Tokyo and the voluntary authorized departure status, allowing dependents of US government employees to return to Japan.

April 17, 2011: Secretary of State Clinton meets PM Kan, FM Matsumoto, and the Emperor and Empress of Japan during a visit to Tokyo.

April 17, 2011: Tokyo Electric Power Company (TEPCO) announces a six- to nine-month timetable for stabilizing the reactors at the Fukushima Daiichi nuclear power plant.

April 20, 2011: Japan's Ministry of Finance reports a 2.2 percent decline in exports in March compared to a year earlier, the first decline in 16 months, leading to a 78.9 percent decline in the country's trade surplus.

April 22, 2011: Kan government approves a \$49 billion supplementary budget to support earthquake relief efforts.

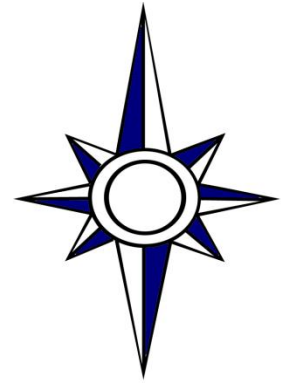
April 24, 2011: The DPJ suffers additional setbacks in the second round of unified local elections, losing a Lower House by-election in Aichi prefecture and winning only three of 10 city and ward mayoral elections in which it went up against the LDP.

April 26, 2011: A *Fujisankei* poll finds a 21 percent approval rating for the Kan Cabinet with 79 percent of respondents suggesting Kan did not display leadership in response to the nuclear crisis. When asked who would be most desirable as prime minister, Ozawa Ichiro tops the list with 9.2 percent of the responses.

April 27, 2011: Standard and Poor's revises its outlook on Japan's credit rating from "stable" to "negative" citing the potential for increased deficits after the March 11 earthquake.

April 29, 2011: FM Matsumoto meets Secretary Clinton in Washington to discuss earthquake relief efforts, security cooperation, regional issues, and developments in the Middle East.

April 30, 2011: The Lower House of the Diet votes unanimously to approve a \$49 billion supplementary budget to support earthquake relief efforts.



US-China Relations:

Pomp and Substance: Hu's State Visit to the US

Bonnie Glaser, CSIS/Pacific Forum CSIS
Brittany Billingsley, CSIS

High-level contacts between the US and Chinese militaries resumed in January with a visit by Defense Secretary Robert Gates to China. Immediately following his trip, President Hu Jintao traveled to the US for a state visit. The occasion combined informal discussion with all the protocol trappings of a state visit by a leader from an important country. Both countries exerted great efforts to ensure the visit's success, which put the bilateral relationship on more solid footing after a year that was characterized by increased tensions and discord. At the invitation of Secretary of State Hillary Clinton, State Councilor Liu Yandong made a week-long visit to the US in mid-April, during which she co-chaired with Clinton the second round of the Consultation on People-to-People Exchange. China held its annual "two meetings" – the National People's Congress and the Chinese People's Political Consultative Congress – and endorsed the 12th Five-Year Plan for National Economic and Social Development.

Gates travels to China to promote military-to-military ties

In early January, seven months after the Chinese turned down a request by US Secretary of Defense Robert Gates to visit China and just over a week before Chinese President Hu Jintao departed for his state visit to the US, Chinese Defense Minister Gen. Liang Guanglie received Gates in Beijing. The trip signaled full restoration of the US-China military relationship, which began to warm in the final months of 2010 after a 9-month suspension that followed the Obama administration's \$6.4 billion arms sale to Taiwan in January of that year.

On the flight to Beijing aboard a US military aircraft, Gates told reporters that he wanted the military relationship to advance in a sustained and reliable way, so "that despite the ups and downs that come with any relationship that these channels remain open and the efforts together continue to go forward." He also emphasized the need for a dialogue that focuses on "strategies, policies, and outlooks," which he maintained would not only contribute to greater understanding, but would also help to avoid "miscalculations and misunderstandings and miscommunications."

During his three-day stay in Beijing, Gates had discussions and held a joint press conference with his Chinese counterpart, met Hu Jintao and his likely successor Xi Jinping, visited the People's Liberation Army's (PLA) Second Artillery Corps headquarters, and took a brief tour of the Great Wall. The most significant achievement of the visit was an agreement to establish a working group that will develop guiding principles and a new framework for improving ties between the US and Chinese defense establishments. The two sides set an ambitious goal of signing an agreement on the framework at the 2011 Defense Consultative Talks (DCT). They also agreed to convene the Defense Policy Consultative Talks (DPCT) as soon as possible to

finalize an agenda of bilateral military exchanges for 2011. They also set the goal of holding a working group meeting under the Military Maritime Consultative Agreement (MMCA) in the first half of 2011 to discuss operational safety and to expand maritime cooperation.

Other forms of cooperation were discussed, but no agreement was reached to put them on the bilateral agenda. These included joint military activities such as maritime search and rescue, humanitarian assistance and disaster relief, and counterterrorism. In addition, Secretary Gates proposed launching a joint civilian-military strategic security dialogue – as part of the broader Strategic and Economic Dialogue – that covers nuclear, missile defense, space, and cyber issues. Gen. Liang said the Chinese had noted the proposal and would “consider and study” it. Finally, the two defense chiefs confirmed that Gen. Chen Bingde, member of China’s Central Military Commission and Chief of the PLA General Staff, will visit the US in the first half of this year.

At the joint press conference, Gen. Liang stated China’s strong opposition to US arms sales to Taiwan, which he said damage China’s core interests. He indicated that if arms sales to Taiwan continued, they would “further disrupt our bilateral and military-to-military relationship.” Chinese media reiterated that in addition to arms sales to Taiwan, US legislation restricting the two countries’ military exchanges and the conduct of reconnaissance activities by US ships and aircraft in China’s exclusive economic zone are the main obstacles to the establishment of mutual trust and the development of cooperation between the two militaries.

At a roundtable with reporters at the end of his visit, Secretary Gates described his conversations with Chinese military and civilian officials as “very cordial and friendly” and his visit as “very positive,” saying that “it sets the stage for making further constructive progress in the military-to-military relationship.” At the same time, however, he cautioned that dramatic breakthroughs were unlikely. Rather, he said, “we have to play the long game” and should expect an “evolutionary growth of relationships and activities together that over time have a positive effect on the overall relationship.” In response to a reporter’s question, Gates maintained that the US policy of selling arms to Taiwan could be reexamined if the security environment for Taiwan changed and if the relationship between Beijing and Taipei continued to improve. He added, however, that such a change would be “evolutionary” and “a long-term process” and was not likely to happen anytime soon.

The most eye-catching event of Gates’ visit was the unexpected test flight of the PLA’s new stealth jet fighter, the *J-20*. Prior to Gates’ arrival in Beijing, photos of the prototype of the jet undergoing a taxiing test, apparently taken from outside a fence at the Chengdu Aircraft Design Institute’s airfield in southwest China, appeared on the internet. When the US defense secretary queried Hu Jintao about the test in their meeting, Hu seemed to be caught off guard and asked Defense Minister Liang, who was present at the meeting, if the flight test had in fact taken place. Later in the meeting, however, Hu acknowledged the test and maintained that it had been preplanned, and assured Gates that it had absolutely nothing to do with his visit. Gates told reporters that he took Hu at his word. Guan Youfei, deputy director of the Chinese Defense Ministry’s Foreign Affairs Office, declared that the *J-20* test was “routine” and not deliberately timed to coincide with Gates’ visit. US analysts were divided over whether the incident was an attempt to conduct an unusually bold show of force with the goal of strengthening deterrence or was a result of poor coordination between the Chinese military and its civilian leaders.

In April, Deputy Assistant Secretary of Defense for East Asia Michael Schiffer traveled to China to hold the seventh round of the DPCT with his Chinese counterpart Qian Lihua, director of the Foreign Affairs Office of the Ministry of National Defense. They reviewed recent developments in the military relationship, exchanged views on regional and international security issues, and discussed arrangements for the May visit to the US by PLA Chief of the General Staff Chen Bingde. The Chinese were reluctant to finalize an agenda for bilateral defense exchanges for the remainder of the year, possibly due to concerns about new arms transfers to Taiwan.

Washington rolls out the red carpet for Hu Jintao

Hu Jintao's state visit to the US Jan. 18-21 put a floor under the China-US bilateral relationship after a year that was riddled with tension and discord. The summit provided an opportunity for the US and Chinese presidents to discuss a broad range of issues and attempt to chart a course forward that enables cooperation where US and Chinese interests converge as well as the means to manage differences where common ground is lacking. In addition, Presidents Obama and Hu successfully used the visit to remind their respective domestic audiences of the significance of the bilateral relationship and to dampen criticism of their policies at home.

Hu's visit – his last before stepping down as China's president and general secretary of the Chinese Communist Party – marked the eighth face-to-face meeting between the two presidents in two years. As National Security Advisor Thomas Donilon noted at a press briefing in advance of the summit, "that pace and intensity of engagement with the Chinese reflects the breadth, depth, and importance of the relationship." The two heads of state jointly attended more than 12 hours of activities including talks, meetings, meals, and other events. Besides Obama, Hu also met with Vice President Joseph Biden, Secretary of State Clinton, and Congressional leaders. After spending two days in Washington DC, Hu traveled to Chicago where he attended a dinner hosted by Mayor Richard Daley, visited a Confucius Institute that provides Chinese language courses to 12,000 public school students, and went to a Chinese business expo in the suburbs.

Beijing's priority for the summit was securing all the ceremonial trappings of a state visit that had been denied to Hu by the George W. Bush administration when he last visited the US in April 2006. The Obama administration graciously provided the requisite symbols of respect for China's leader: a welcoming ceremony on the South Lawn of the White House that included a 21-gun salute and an honor guard, and an opulent state dinner. Equally important to China, the visit was meticulously planned and executed, avoiding such gaffes as occurred five years earlier when a Falun Gong protester acquired press credentials and unfurled a banner during the south lawn ceremony and an announcer mistakenly introduced the People's Republic of China (PRC) national anthem as the anthem of the Republic of China (ROC).

The US attached importance to substantive discussions between the two leaders and interaction with US businessmen, lawmakers, and the media. President Obama hosted a small dinner for President Hu at the White House that was intended to facilitate a give-and-take conversation about sensitive issues such as human rights and North Korea's nuclear weapons (see section on North Korea below). In attendance were Donilon, Secretary Clinton, State Councilor Dai Bingguo, Foreign Minister Yang Jiechi, and China's Ambassador to the US Zhang Yesui. The

following day there was a tête à tête in the Oval Office and an expanded bilateral meeting in the Cabinet room. The two presidents also met with US and Chinese business leaders to discuss ways to expand trade and investment opportunities. Hu Jintao had meetings with the leadership of the House and the Senate, attended a luncheon at the State Department hosted by Vice President Biden and Secretary Clinton, and delivered a speech at another luncheon hosted by US nongovernmental organizations. At the US behest, a joint news conference was held which, unlike the press event held in Beijing during President Obama's November 2009 visit, included questions from reporters.

The Obama administration seized the opportunity presented by the summit to highlight China's record of suppressing free speech and political freedom. By doing so, US officials attempted to silence conservative critics who have charged the president with being overly cautious in speaking out against other countries' human rights abuses, especially China's. In an address delivered prior to Hu Jintao's arrival in Washington, Secretary Clinton spoke at length on US concerns about China's crackdown on individuals who seek to exercise basic freedoms of speech and religion. "America will continue to speak out and press China when it censors bloggers and imprisons activists, when religious believers, particularly those in unregistered groups, are denied full freedom of worship, when lawyers and legal advocates are sent to prison simply for representing clients who challenge the government's positions," Clinton said.

Also in advance of Hu's arrival, President Obama met five advocates for human rights in China at the White House. During Hu's visit, Obama spoke publicly on the issue; privately, he raised the cases of specific political prisoners, including Liu Xiaobo, a Chinese dissident who was awarded the Nobel Peace Prize last year.

Pressed for a comment at the joint press conference, Hu Jintao stated that "China recognizes and also respects the universality of human rights" and acknowledged that "a lot still needs to be done in China in terms of human rights." Although his statement was interpreted by some as an unusually frank admission of the need for progress on human rights in China, in fact, Hu's remark was simply a reiteration of the position enunciated in the China's September 2010 white paper on human rights, which noted that "China is a developing country with a population of 1.3 billion. Due to its inadequate and unbalanced development, there is still much room for improvement in its human rights conditions." No major progress was expected nor achieved on human rights during the summit, but an agreement was reached to hold another round of the bilateral human rights dialogue in 2011 after a roughly half-year hiatus.

In a bid to alter a negative narrative about US-Chinese trade that has centered on the harm to US exports caused by an artificially low Chinese currency, the US announced that Beijing had approved contracts worth a total of \$45 billion with US companies to export goods to China. The Obama administration announced that the contracts would support an estimated 235,000 jobs for US workers. Yet many, if not most, of these deals were already in the works and would have taken place even if Hu had not made the trip. For example, according to *Reuters*, Boeing acknowledged that the \$19 billion order for 200 planes "had been on their books for a while."

At the White House meeting with business leaders, Hu Jintao told US executives he welcomed their business and said his country was speeding up economic restructuring and trying to boost

domestic consumption – a chief concern for the US as it seeks to reduce the trade gap with China. Speaking to the press, President Obama noted that he had emphasized to President Hu “that there has to be a level playing field for American companies competing in China, that trade has to be fair.” He welcomed Hu’s pledge that US companies would not be discriminated against when they compete for Chinese government procurement contracts and Hu’s “willingness to take new steps to combat the theft of intellectual property.”

In return, the Obama administration made vague promises that it would allow the export of more high-tech products to be shipped to China. “We want to sell you all kinds of stuff,” Obama told the Chinese delegation. The White House also repeated a prior commitment to consider granting China market economy status, but refrained from issuing any details or deadlines.

Little was said publicly on the currency issue. Treasury Secretary Timothy Geitner told the press in advance of Hu’s visit that the combined effect of China’s exchange rate and the difference between the inflation rates in the US and China has resulted in a pace of appreciation of the *yuan* in real terms to more than 10 percent a year, which he described as a “very substantial material change.” Asked about the currency issue at the joint press conference, President Obama insisted that the “RMB is undervalued” and noted that President Hu “indicated he’s committed to moving towards a market-based system. And there has been movement, but it’s not as fast as we want.” Hu refrained from commenting altogether.

One of the major deliverables of the summit was a Joint Statement that was negotiated between the US Department of State and the Chinese Ministry of Foreign Affairs. The Chinese attached greatest importance to the language used to describe the US-Chinese relationship and persuaded the US to include the sentence that describes the two countries as committed to “work together to build a cooperative partnership based on mutual respect and mutual benefit in order to promote the common interests of both countries to address the 21st century’s opportunities and challenges.” Beijing also attempted to use language that had been included in the November 2009 US-China Joint Statement that referenced “respect for each other’s core interests as extremely important to ensure steady progress in US-Chinese relations,” but the US demurred because the concept of “core interests” had generated considerable controversy both domestically and between Washington and Beijing.

Other highlights of Hu’s visit included the launching of a China-US Governors Forum and agreement to take concrete steps to strengthen dialogue and exchanges between US and Chinese youths, particularly through the 100,000 Strong Initiative which ambitiously seeks to send 100,000 American youths to study in China between 2009 and 2014. The two sides also explored a China-US cultural year event, promoting tourism and other activities. Finally, China agreed to extend the stay of the two Chinese pandas, *Tiantian* and *Meixiang*, for another five years at the National Zoo in Washington, DC.

In the weeks following Hu’s visit, the US took several follow-up steps in an effort to sustain the positive momentum and implement the points of consensus that were agreed upon by the two heads of state. On Jan. 28, Deputy Secretary of State James Steinberg met Dai Bingguo, and the following day Tom Donilon and Dai talked by phone. Chinese reporting on both conversations

stressed the key language from the Joint Statement – the importance of building the US-China cooperative partnership based on mutual respect and mutual benefit.

The Chinese media lauded Hu Jintao's US visit and its achievements. A *Xinhua* commentator maintained that the trip "wrote a new chapter on the China-US cooperative partnership." In an article published in the *PLA Liberation Daily* online, Ni Feng, from the CASS Institute of American Studies, maintained that President Hu's visit and the Joint Statement proved that "the two countries are absolutely able to usher healthy and stable China-US relations into the coming decade, and to produce a positive influence on a global scale." CICIR analyst Chen Xiangyang wrote in *Liaowang* that "Through this visit, China and the United States have joined hands to 'push out the old and bring in the new,' and there are prospects of opening up a new model of benign interaction between the powers in the globalization and multipolarization era, and thus breaking away from the 'karma' of zero-sum game, vicious rivalry, cycle of violence, and one hegemony replacing another in the history of international relations between dominant and newly emerging countries."

Liu Yandong visits the United States

At the invitation of Secretary of State Clinton, State Councilor Liu Yandong made a week-long visit April 10-16 to the US, during which she co-chaired with Clinton the second round of the Consultation on People-to-People Exchange (CPE). The meeting was held in Washington DC, almost one year after the inaugural meeting in Beijing. Negotiations between the US and Chinese delegations produced more than 40 new areas of exchange in six fields: education, science, technology, culture, women's issues, youth, and sports. Clinton also announced that the US-China Fulbright Program will be expanded and expressed gratitude for China's grant of an additional 10,000 scholarships for US citizens who wish to study in China, doubling the number granted last year. Clinton reiterated the Obama administration's goal to send 100,000 students to China over the next four years, known as the 100,000 Strong Initiative.

During the CPE closing session, Secretary Clinton and State Councilor Liu announced the launch of the US-China Women's Leadership Exchange and Dialogue (Women-LEAD), which will be jointly led by the Secretary's Office of Global Women's Issues and the All-China Women's Federation (ACWF). Through Women-LEAD, the US and China will seek to increase dialogue between high-level Chinese and American women leaders and to expand exchanges between organizations, think tanks, and universities on gender equality. Key goals of the initiative are to promote the sharing of knowledge and expertise on developing women's leadership across all sectors – including entrepreneurship, science, and technology – and provide support for capacity building programs for emerging women leaders.

After departing Washington, Councilor Liu, the highest-ranking female in the Chinese government, traveled to Boston to strengthen educational and research ties between MIT and China's universities, and delivered a speech at Harvard University. Then, she flew to San Francisco, where she met with the mayor of the city, Edwin Lee, and delivered an address to the opening ceremony of the fourth annual National Chinese Language conference. Her final stop was Portland where she attended an inaugural ceremony at Portland State University for twelve new Confucius classrooms in Oregon.

U.S.-China human rights dialogue convenes

Against the background of a harsh crackdown in China on intellectuals, dissidents, and civil society advocates, the US and China held a round of bilateral discussions on human rights issues in Beijing at the end of April. Just days before the event, the State Department unilaterally announced the meeting and declared that the recent spate of detentions would be on the agenda. Speaking at a press conference at the end of the two-day talks, Assistant Secretary of State for Democracy, Human Rights and Labor Michael Posner said there had been a “serious backsliding” by China on human rights in recent months. He stated the issue would be discussed again in May at the US-China Strategic and Economic Dialogue in Washington. Posner added that President Obama is committed to talking about human rights and said he had warned the Chinese that the broader US-China relationship could suffer if China’s crackdown continued.

After the talks ended, the Chinese released Teng Biao, a prominent human rights lawyer whose release had been explicitly urged by the US during the discussions. No action was taken to free Ai Weiwei, an internationally recognized artist whose incarceration has been deplored by human rights activists worldwide.

Divisions in approach to North Korea’s nuclear program

North Korea remained a central focus of US-Chinese discussions in the first four months of 2011. During his visit to Beijing, Secretary Gates stated that considering its “continuing development of nuclear weapons” and “development of intercontinental ballistic missiles, North Korea is becoming a direct threat to the United States.” Gates later noted that he conveyed to his Chinese interlocutors US recognition and appreciation of the constructive role that China had played in recent months in reducing tensions on the Korean Peninsula. In particular, US officials credited China with playing a helpful role in persuading Pyongyang to not take further escalatory action in response to South Korea’s live-fire drills that were conducted last December in the aftermath of North Korea’s attack on Yeonpyeong Island.

At the informal dinner held at the White House residence on the evening of Hu Jintao’s arrival in Washington, North Korea was also an important topic. Weeks of intense negotiations between US and Chinese officials on a Joint Statement in the run-up to the visit had failed to come up with mutually acceptable wording on North Korea’s nuclear activities, putting in jeopardy the issuance of the document. Beijing reportedly resisted including language critical of North Korea, including its apparent violations of UN Security Council (UNSC) resolutions. At the dinner, Presidents Obama and Hu voiced concerns about North Korea’s uranium enrichment program and they agreed to include reference to these concerns in the Joint Statement as well as shared opposition to all activities inconsistent with the September 2005 Six-Party Talks Joint Statement and relevant international obligations and commitments.

After Hu’s visit to the US, Washington and Seoul decided to seek a UNSC presidential statement to condemn the North’s uranium program before reconvening the Six-Party Talks. This goal remained elusive, however, in large part due to China’s opposition. Rather than address the issue of North Korea’s uranium enrichment program in the UNSC, Beijing insisted that the issue be

discussed at the Six-Party Talks. Robert Einhorn, the State Department's special adviser for nonproliferation and arms control, told a forum in Seoul in early March that the US was "hoping China will reach the conclusion that we have reached, which is that the enrichment program in Yongbyon is not compatible with the Security Council resolutions or the September 2005 joint statement." Einhorn warned that legitimizing the enrichment program would undermine the credibility of the Six-Party Talks and their prospects for success.

On Jan. 28, a panel of independent experts submitted a report on recent North Korean nuclear developments to the UN Security Council's Sanctions Committee, which monitors compliance with UN sanctions against that country. Based on the conclusion that North Korea's enrichment facility and light water reactor were both serious violations of UNSC resolutions 1718 and 1874, the panel made several recommendations. According to Western media reports, following the report's transfer to the Sanctions Committee, China informed members it would block the report. China also reportedly wanted as many details as possible – including those from the expert panel's report – kept out of the Committee's quarterly report. For instance, according to the *Yomiuri Shimbun*, Beijing compelled the Committee to delete language from its draft report that it had held a meeting on the enrichment program. The panel's report was not made publicly available; instead it was discussed in closed-door meetings of the UNSC on Feb. 23 during the Committee's quarterly review of the status of sanctions implementation. The final quarterly report was submitted to the UNSC in late February.

The “two meetings” and the Government Work Report

The fourth Plenary Session of the 11th National People's Congress (NPC) – China's top legislative body that debates and approves national policy and legislation – was held March 5-14 in Beijing. Almost concomitantly, the fourth Session of the 11th National Committee of the Chinese People's Political Consultative Conference (CPPCC) convened March 3-13 in Shanghai. The CPPCC is China's top advisory body that provides delegates from a range of political parties an opportunity to discuss, supervise, and participate in legislation. This year, the NPC's top agenda item was the adoption of the 12th Five-Year Plan for China's Economic and Social Development Strategy. The results of the “two meetings” indicate that China intends to maintain its gradual approach to economic structural reform and development, the leadership sees the potential for instability and discontent linked to various economic and social factors, and there is no appetite for political reform.

At the opening of the NPC on March 5, Premier Wen Jiabao delivered the Government Work Report detailing the country's accomplishments in the past year, and its targets and intentions for the coming years. Two important economic benchmarks were set: 1) China's GDP growth will average 7 percent for the next five years; and 2) the target growth rate for 2011 will be “around 8 percent.” These modest growth rates, compared to the prior five-year plan (and to China's 10.3 percent growth rate in 2010) suggest China's leadership is shifting its focus away from growth of the aggregate economy in favor of a growth pattern that emphasizes balance and sustainability. The report stated that China would “closely integrate government control with market forces” and noted that during the financial crisis, because the government tightened its economic control, China “quickly corrected market distortions, remedied market failures and prevented serious

economic fluctuations.” As such, China would continue pursuing a “proactive fiscal policy” and a “prudent monetary policy.”

Among the steps for such policies are improved finance and expense management, and a new initiative to “comprehensively audit local government debt,” likely an acknowledgement of disproportionate spending by local governments following stimulus packages. Expanding domestic demand – especially consumer demand – is high on the priority list for the next year, and was cited as necessary “for promoting balanced economic development.” On the value of China’s currency, the report stated simply that China would “further improve” the *RMB* exchange rate mechanism, expand its use in international trade and investment and “press ahead with making the *RMB* convertible under capital accounts.”

Heightened concerns about inflation and its possible impact on social stability were a new element not seen in previous years’ NPC reports. Wen reported that inflation last year was “held in check at 3.3 percent,” and stated that the government would “keep the CPI increase around 4 percent” over the course of this year. This goal may be difficult to achieve, however, as consumer prices rose 4.9 percent in both January and February, and then surged 5.4 percent in March. For 2011, maintaining price stability was listed as a top priority of macroeconomic control due to the fact that the issue “concerns the people’s wellbeing, bears on overall interests and affects social stability.” In what appeared to be an effort to cope with rising inflation, the Chinese began to permit the *RMB* to rise a bit more rapidly, 0.9 percent in April, for a total gain of 5 percent since last June. On April 29, the dollar fell to about 6.491 *RMB*, marking the strongest value of the Chinese currency since Beijing began allowing it to rise in 2005.

Although NPC reports in prior years had acknowledged the need for preserving social stability, the increased emphasis this year was unmistakable. Wen’s report contained several long sections that stressed the need for strengthening and improving public security and implementing “social management,” to bolster social stability. Addressing corruption and other sources of social discontent – notably the widening income gap, labor disputes, and housing prices – were also important elements of the report.

Wen acknowledged that the government has “not yet fundamentally solved a number of issues that the masses feel strongly about.” He insisted that the government “make improving the people’s lives a pivot linking reform, development and stability,” and called for improvements to be made in several areas, including good governance, anti-corruption efforts, dispute resolution mechanisms, evaluation of administrative decisions, and safeguarding the legitimate rights and interests of the people.

Military spending increases

Toward the end of his speech, Wen stated that “strengthening national defense and building a powerful” military were necessary for “safeguarding national sovereignty, security and development.” Rallying support, Wen called military modernization and improvement necessary for the PLA to accomplish its “historic mission in this new century and this new stage.”

A day prior to Wen's delivery of the report, Chairman of the Foreign Affairs Committee and NPC spokesman Li Zhaoxing announced a 12.7 percent increase in military spending for 2011. This marked a return to double-digit growth following 2010's 7.5 percent increase, and brought the total spending to 601 billion *yuan* (about \$91.5 billion). According to Li, defense spending now accounts for only 1.4 percent of China's GDP – a relatively small amount when compared to that of other countries, including the US (which was 4.7 percent for 2010 and 2011) – and roughly 6 percent of China's total budget. He described the spending hike as “reasonable” to maintain “balance between national defense and economic development.”

As to where the additional funds will be allocated within China's military, Li stated that the “bulk” would go toward moderate improvements in armaments, training, infrastructure, human resources development, and standard of living for China's troops. He also acknowledged that recent price increases due to inflation played a role “to some extent.”

During the press conference, Li insisted that China's defense expenditure “is solely for safeguarding [China's] national sovereignty and territorial integrity” and does not present “a threat to any country.” He also asserted that there is “no such thing as a so-called hidden military expenditure.” Despite these assurances, there is a widely held belief that reported expenditures are more indicative of a growing trend of defense spending in China, and the real numbers are likely higher. In its annual report on China's military and security developments, the US Department of Defense estimated that “China's total military-related spending for 2009 to be over \$150 billion,” but did not offer further explanation on how the estimate was determined. The figure is startling when one considers the official military budget for 2009 was only about \$70 billion (or 480.6 billion *yuan*).

Yang Jiechi's March 7 press conference

During the NPC, Foreign Minister Yang Jiechi held a press conference on March 7 to answer questions on China's foreign policy and external relations. Yang stated that 2010 had seen “steady progress” in global economic governance structural reform, the rise of emerging economies, a “greater balance of international power,” and a by-and-large stable international security situation. Even when “destabilizing factors and uncertainties” arose, China “properly managed thorny issues” and accomplished substantial achievements in diplomacy, cooperation and state-to-state relationships.

Going forward, Yang maintained that China would “make all-round efforts in pursuing [its] diplomacy,” particularly in “summit” or multilateral diplomacy. Over the course of the next five to 10 years, he said, the key objective behind China's diplomacy efforts was to promote an international environment conducive for development of Chinese society “in all respects” and to contribute to building “a harmonious world of enduring peace and common prosperity.” Yang added that to do this China would continue pursuing an “integrated approach” to diplomacy by comprehensively conducting country-, region- and area-specific diplomacy; coordinating both bilateral and multilateral diplomatic efforts; and “promote the all-round development of political, economic and cultural diplomacy.”

Answering a question posed by *Reuters* on US-China relations, Yang was upbeat in his appraisal. He emphasized the success of the Hu Jintao visit and listed a number of upcoming meetings between US and Chinese leadership. These included the third round of the China-US Strategic and Economic Dialogues; the second meeting of the China-US high-level mechanism for people-to-people exchange; and visits by each respective vice presidents to the other country. However, he also noted the negative impact of continued US arms sales to Taiwan has on the bilateral relationship. Yang reiterated that China “firmly oppose[s] US arms sales to Taiwan” and urged the US “abide by the principles and spirit of the three Sino-US joint communiqués and the China-US joint statements,” cease further sales to Taiwan, and “take concrete actions to support the peaceful development of cross-Strait relations.”

Looking ahead

The second trimester of 2011 will be an exceptionally busy period in China-US relations. Dai Bingguo and Wang Qishan will travel to Washington DC to co-chair the third round of the Strategic and Economic Dialogue in early May. Under the S&ED, the two sides will launch a new joint civilian-military Strategic Security Dialogue. This new mechanism is intended to serve the broader objective of the S&ED of building greater mutual strategic trust between the US and China. Later that month, US-Chinese military ties will be further advanced with a visit to the US by Chief of the PLA General Staff and Central Military Commission member Chen Bingde. In July, Vice President Biden will travel to China.

Chronology of US-China Relations¹ **January – April 2011**

Jan. 3-7, 2011: Special Representative for North Korea Policy Stephen Bosworth travels to the South Korea, China, and Japan; he holds talks in Beijing on Jan. 5.

Jan. 3-7, 2011: Chinese Foreign Minister Yang Jiechi visits the US to make final preparations for President Hu Jintao’s visit.

Jan. 4, 2011: National Security Advisor Tom Donilon meets Foreign Minister Yang in the White House to discuss US-China relations and preparations for President Hu’s upcoming visit. President Obama joins the meeting.

Jan. 7, 2011: US Treasury Undersecretary Lael Brainard meets Chinese Vice Premier Wang Qishan and other officials in Beijing.

Jan. 9-11, 2011: Assistant Secretary for East Asian and Pacific Affairs Kurt Campbell visits Beijing for consultations in preparation for President Hu’s visit to the US.

Jan. 9-12, 2011: US Defense Secretary Robert Gates visits China to advance military-to-military ties between the two countries.

¹ Chronology and research assistance by CSIS intern Ivan Lidarev

Jan. 13, 2011: Commerce Secretary Gary Locke speaks to the US-China Business Council, where he discusses how leveling the playing field for US businesses in the Chinese market will help spur global innovation and create jobs in the US.

Jan. 14, 2011: Secretary of State Hillary Clinton delivers an address at the State Department that presents the US broad vision of US-China relations in the 21st century.

Jan. 18-21, 2011: President Hu Jintao makes a state visit to the US.

Jan. 24, 2011: China places anti-dumping measures on the imports of caprolactam, a widely used synthetic polymer, from the EU and US.

Jan. 26, 2011: In his State of the Union Address, President Obama mentions Chinese competition as a challenge to the US, in areas such as education, technology, and infrastructure.

Jan. 27, 2011: The US-China Economic and Security Review Commission holds a hearing on “China’s Active Defense Strategy and its Regional Impacts.”

Jan. 28, 2011: A US delegation led by Deputy Secretary of State James Steinberg visits China to discuss the Korean Peninsula.

Jan. 31, 2011: US Ambassador to China, Jon Huntsman announces that he will resign.

Feb. 5, 2011: Treasury Department releases a report that says China’s currency is substantially undervalued and its progress on currency reform is insufficient, although the report does not name China a “currency manipulator.”

Feb.7, 2011: US International Trade Commission (USITC) determines that Chinese imports of drill pipe and drill collar threaten US industry, and that the Commerce Department will impose anti-dumping duties on their import from China.

Feb. 8, 2011: During a visit to Brazil, Treasury Secretary Geithner urges Brazil to put pressure on China to allow the *yuan* to appreciate.

Feb. 9, 2011: *US National Military Strategy 2011* is published. It calls for a deeper military-to-military relationship with China, but notes that the Joint Chiefs of Staff will continue to monitor China’s military development and its assertiveness in East Asia.

Feb. 11, 2011: A group of US congressmen, including Representative Sander Levin (D - MI) and Senator Sherrod Brown (D-OH), introduce legislation, in both houses of Congress, to press China to allow its currency appreciate.

Feb. 13-16, 2011: A large US business delegation, led by the executive chairman of Morgan Stanley John Mack, visits China and meets the heads of Chinese companies and Vice Premier Wang Qishan.

Feb. 17, 2011: China warns against US meddling in other countries' affairs in response to Secretary of State Clinton's announcement of an initiative to help dissidents around the world to circumvent government internet controls.

Feb. 18, 2011: In spite of US protests, a Chinese court rejects the appeal of American geologist Xue Feng, who was sentenced to eight years in prison on charges of spying in 2009 after obtaining commercial information about Chinese oil wells for a US company.

Feb. 21, 2011: During a visit to Hong Kong by the *USS Blue Ridge*, Vice Adm. Scott Van Buskirk, the commander of the US Seventh Fleet, says that US does not consider China a "direct threat" and welcomes the expansion of China's blue water navy.

Feb. 24, 2011: US Ambassador to China Huntsman appears at a small protest rally in Beijing supporting a "Jasmine Revolution" in China, provoking protests from Chinese bloggers.

Feb 25, 2011: In an interview with the *Wall Street Journal*, Commerce Secretary Locke says that the US is "making progress" in eliminating trade barriers to Chinese companies but says China should do more to let its currency appreciate.

Feb. 26, 2011: The US and China sign an agreement to establish the China-US Governors Forum, which will enable cooperation between governors and provincial leaders.

March 2, 2011: In testimony before the Senate Foreign Relations Committee, Secretary Clinton says that the US is falling behind China in the Pacific region and that China has increased its influence over many small Pacific nations.

March 4, 2011: China announces an increase of 12.7 percent in its military spending in 2011 bringing it to 601 billion *yuan* (\$91.5 billion).

March 5, 2011: The Fourth Session of the 11th National People's Congress opens in Beijing.

March 7, 2011: Foreign Minister Yang Jiechi urges the US to stop arms sales to Taiwan and take concrete steps to promote the peaceful development of cross-strait relations.

March 9, 2011: President Obama nominates Commerce Secretary Locke as the next US ambassador to China.

March 11, 2011: In testimony to the Senate Armed Services Committee, Director of National Intelligence James Clapper says China has invested substantially in cyber warfare and intelligence gathering.

March 21, 2011: Google claims that China's government is imposing a "blockade" on Google which interferes with its Gmail service.

March 31, 2011: China releases its biannual defense white paper.

April 5, 2011: The US, France, the UK, and Germany express concern over the arrest of Chinese dissident artist Ai Weiwei.

April 8, 2011: State Department releases its annual report on human rights, which harshly criticizes human rights in China and Secretary Clinton expresses concern that Chinese intellectuals and human rights activists are “arbitrarily detained.”

April 10, 2011: China’s State Council issues a report entitled “Human Rights Record of the United States in 2010.”

April 10, 2011: Chinese State Councilor Liu Yandong visits the US and chairs the second round of high-level meetings between the US and China on cultural and people-to-people exchanges.

April 11, 2011: At the 7th US-China Defense Policy Consultative Talks in Beijing, Deputy Assistant Secretary of Defense Michael Schiffer and Director of the Foreign Affairs Office of the Ministry of Defense Qian Lihua exchange views on bilateral and regional military issues.

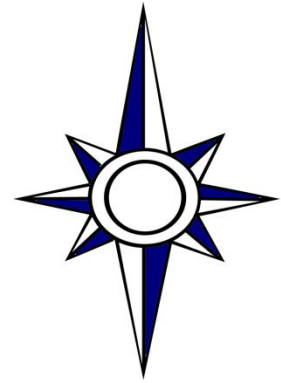
April 15, 2011: State Department spokesman Mark Toner criticizes China for its use of force in the standoff between Chinese police and Tibetan monks in Sichuan Province and blames China for violating the international standards of human rights and religious freedom.

April 19, 2011: US-China Initiative on City-Level Economic Cooperation starts in Seattle. It aims to promote economic cooperation between US and Chinese cities and help realize the pledges for greater economic cooperation made during President Hu’s visit to the US.

April 20-26, 2011: A delegation of 10 senators, led by Senate Majority Leader Harry Reid, visits China to discuss a wide range of issues such as clean energy, economic relations and human rights; the delegation meets Vice-President Xi Jinping, Vice Premier Wang Qishan, Foreign Minister Yang Jiechi, and the head of China’s legislature, Wu Bangguo.

April 27-28, 2011: Assistant Secretary of State for Democracy, Human Rights and Labor Michael Posner heads an interagency delegation to Beijing for a round of the recurring US-China Human Rights Dialogue with his counterpart Chen Xu, director general of International Organizations and Conferences.

April 30, 2011: President Hu extends condolences to President Obama over the deaths caused by a devastating tornado that struck southern parts of the US on April 26-27.



**US-Korea Relations:
Under the Shadow of 2010**

**Victor Cha, Georgetown University/CSIS
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The US and South Korea continued strong solidarity and close policy coordination on North Korea in early 2011. The US made repeated calls for North Korea to improve its relations with South Korea and show sincerity about denuclearization before the Six-Party Talks can resume. The Hu Jintao visit to the US in January paved the way for the first inter-Korean talks since the Yeonpyeong shelling, although they collapsed on the second day as the two Koreas could not resolve their dispute over the sinking of the *Cheonan*. While inter-Korean dialogue stood at a standstill, the US and South Korea agreed to pursue a UNSC Presidential Statement that would denounce North Korea's uranium enrichment program. Possible resumption of US food aid and Jimmy Carter's Pyongyang visit were new variables, although neither brought any change. The good news is that the KORUS FTA looks to be near its long-awaited passage in the Congress. With both the Obama and Lee administrations making final efforts to clear all political barriers, it appears that the measure will be passed in both countries in the coming months.

Obama-Hu summit

The Washington summit between President Barack Obama and Chinese President Hu Jintao on Jan. 19 was a focal point in US-ROK relations in the beginning of the quarter. Given the tensions created in China-US relations by North Korea's military provocations, a great deal of attention was focused on whether Obama and Hu could narrow their differences on recent developments on the Korean Peninsula and find a common approach to deal with the North's recently unveiled uranium enrichment program (UEP). In the run-up to the meeting, experts and pundits in the US and South Korea predicted little meaningful progress on the issue. They suggested that the Obama-Hu summit would be a litmus-test for China's intentions in the region and its North Korea policy. Also, given North Korea's proposal for inter-Korean talks in early January, there was growing speculation whether exchanges between Hu and Obama in Washington could pave the way for the resumption of North-South Korea dialogue.

President Obama managed to defy expectations in the summit. After a protracted set of negotiations on the joint statement, led on the US side by Assistant Secretary of State Kurt Campbell and on the Chinese side by Vice Foreign Minister, Cui Tiankai, the two presidents agreed to the following clauses in addressing the security issues on the peninsula: 1) preserving peace and stability on the Korean Peninsula is crucial; 2) improved North-South Korea relations is essential to diffuse current tensions on the peninsula and sincere and constructive inter-Korean dialogue is an important first step; 3) the denuclearization of the peninsula is the common goal for both the US and China; and 4) both countries have shared concern over North Korea's uranium enrichment program and they oppose all activities inconsistent with the 2005 Six-Party

Joint Statement and other relevant international commitments. US officials tried extraordinarily hard to solicit a statement of condemnation by China on the 2010 *Cheonan* and Yeonpyeong Island provocations by North Korea. Each time the Chinese dodged US efforts, US officials subtly criticized their counterparts in a commiserative tone, saying they understood that Beijing needed to protect its small North Korean province, which by the end of the 70+ hours of negotiation really got under the Chinese skin, according to participants in those negotiations.

The final joint statement fell short as the North Korean provocations were not explicitly addressed as South Korea had hoped. Instead, President Obama briefly mentioned during a press conference with President Hu that the two presidents had agreed that North Korea should avoid any further provocations. However, experts saw real progress with China on the uranium program as it expressed concern over the program; acknowledgment that the program was a violation of all standing agreements was the first official Chinese statement on the program. This was a coup for the US and clearly put China on the right side of this issue, and temporarily raised hopes that China may change its position and support Seoul's efforts to bring the matter to the UN Security Council (UNSC).

Unfortunately, Chinese cooperation on uranium beyond the Hu-Obama statement was disappointing. There continued to be a divergence of views between Seoul and Beijing as China's nuclear envoy Wu Dawei insisted later in February that North Korea's UEP issue must be dealt with at the Six-Party Talks. Japan and Russia joined South Korea and the US in calling for the UNSC to deal with the enrichment program. In March, South Korea's nuclear envoy Wi Sung-lac and Robert Einhorn, State Department special adviser for nonproliferation and arms control, agreed to seek a UNSC Presidential Statement denouncing North Korea's UEP as a violation both of UNSC resolutions and the 2005 Joint Statement of the Six-Party Talks. Both Washington and Seoul urged Beijing to condemn North Korea for the country's irrefutable violation of its international commitments. China opposed the UNSC Presidential Statement, which is not legally binding but requires consensus among permanent members of the Security Council. What's different from last year when the UNSC adopted a toothless Presidential Statement over the sinking of the *Cheonan* is that, this time, there is no ambiguity regarding the nature of North Korea's UEP program. Thus, the onus is on China to support the UNSC Presidential Statement that condemns the North's enrichment activity, which can be seen as a testament to its own commitment to the denuclearization of the Korean Peninsula.

One clear result of China's reluctance to condemn the North Korean provocations has been a watershed change in both elite and "street" views of China in South Korea. Recent polls conducted by the Asan Institute for Policy Studies show that the general public in South Korea has significantly altered its views about China's strategic intentions compared with the past two decades of fairly benign public opinion after normalization in 1992. In the aftermath of the shelling of Yeonpyeong Island, Asan polls showed 91 percent of South Koreans were dissatisfied with China's reaction. Nearly 60 percent favored a strong protest, even if doing so damaged Seoul's economic relations with the Beijing. It is unclear whether these views are transitory or represent a longer-term trend. Nevertheless, they do show that South Koreans now view US-ROK interaction with China over North Korea in more zero-sum terms than ever before.

Inter-Korean dialogue and Six-Party Talks

North Korea proposed high-level military talks with the South just one day after the Obama-Hu summit. This led to colonel-level military talks on Feb. 8 to address the *Cheonan* and Yeonpyeong incidents and also to set a date, venue, and agenda for future, higher-level military talks. But, after the North Korean delegation vehemently denied their country's involvement in the sinking of the *Cheonan* and walked out of the meeting, the talks collapsed on the second day. Without any plans for additional meetings, inter-Korean military talks have not resumed.

Despite the breakdown in the talks, the US has maintained its "strategic patience" policy, making it clear that inter-Korean dialogue, with results satisfactory to Seoul, is the crucial first step toward resumption of the Six-Party Talks. Meanwhile, China has put forward a "three-step process" for getting back to the talks which starts with North-South dialogue, followed by US-DPRK bilateral talks, which would then pave the way for a return to full Six-Party Talks. But this proposal was more about process than substance. Active shuttle diplomacy continued as officials from South Korea, the US, and Japan closely consulted to fine tune a common posture toward North Korea. Trusting the Lee administration's consistent and principled North Korea policy, the Obama administration continued to follow Seoul's lead.

Meanwhile, there seemed to be an internal debate within South Korea as to whether a North Korean apology for its deadly provocations is a precondition for the resumption of the Six-Party Talks. Conflicting statements from the ROK Foreign Ministry and the Unification Ministry indicated that there was a divergence of views between the two ministries. While the Unification Ministry stood firm in its stance that the Six-Party Talks can resume only if the North takes "responsible steps" over the provocations and shows sincerity about denuclearization, the Foreign Ministry reiterated that the apology was not necessarily a precondition, and that North Korea provocations and denuclearization issues should be dealt with separately.

While these gaps were magnified in press coverage, the real variable that matters in our minds is the status of ROK-DPRK bilateral denuclearization talks. In conversations with ROK senior officials on the sidelines of the April CSIS-*Joongang Ilbo* Strategy Forum in Seoul, we got the sense that while the *Cheonan* apology is important, the real "deliverable" is Seoul obtaining concessions on denuclearization from the North as a preliminary step to a return to Six-Party Talks. The ideal package would be a UNSC statement (with China's support) that condemns the UEP program as a violation of standing agreements, a DPRK moratorium on testing and development of both programs, and agreement to allow IAEA inspectors back into North Korea to monitor both programs. If the ROK could achieve these steps in bilateral talks, then Seoul would be satisfied and could move back to the six-party process.

What would push the North to do this? It has become essentially impossible for North Korea to have a dialogue with the US and return to the six-party process until it makes meaningful progress in inter-Korean dialogue and improves relations with the South. During CSIS meetings in Seoul, Lee administration officials and pundits made the point that the Grand National Party's defeat in the April by-election was not attributable to the Lee administration's current stance on inter-Korean dialogue. They agreed that there was strong public support for the administration's position, contrary to the press-reported gaps between the unification and foreign ministries.

Food aid and the Elders' overture

The beginning of 2011 saw two new variables added to the stagnant six-party process. North Korea's request for food aid was one of them. In January, North Korea approached the US and asked for food aid, with an offer to enhance international monitoring of the assistance "as much as the US wants." US food aid was abruptly suspended in 2009 when North Korea kicked US humanitarian personnel out of the country, saying it was no longer necessary. Rumors circulated that the US government was considering resuming its food aid to North Korea if a new program had similar access to and monitoring requirements of the 2008 program negotiated during the Bush administration, which included access to most DPRK provinces, Korean speakers as food monitors, a US official on the ground monitoring operations, and the right to do nutritional surveys of the population. The World Food Program (WFP) and a consortium of US nongovernmental organizations (NGOs) that participated in the 2008 agreement entered the country in February to assess the food situation. The latter group, in a briefing at CSIS, reported that the DPRK was indeed in need of food based on their site visits, but that the situation was not akin to the mid-1990s famine conditions. The WFP report estimated about 6 million people in need of food.

Special Envoy for North Korean Human Rights Robert King also traveled to Seoul to discuss food shortages in the North with ROK officials. Particularly after the inter-Korean talks collapsed and ended in deadlock, food assistance emerged as a potential means to engage and open a new dialogue channel with the North. This triggered some concerns in South Korea that the US may go ahead with assistance to North Korea in compliance with the US food aid policy. Skeptics argued that the DPRK was motivated to ask for food assistance from the world to stock up for celebrations to take place in 2012, the 100th birthday of Kim Il Sung. However, the US announced that it did not have any immediate plans to send food aid, and US officials repeatedly assured Seoul that Washington would closely consult with its ally before any decisions were finalized. Despite lingering tensions with North Korea, in late March, South Korea approved civilian humanitarian aid to the North in the form of tuberculosis medicine. The next step, if interest persists on this issue, would likely be the dispatch of a US Agency for International Development (USAID) team to do a formal needs assessment, which would enable US officials to get a sense of whether the North would agree to the monitoring and access requirements similar to the 2008 program. At the end of April, no such steps have been reported.

The other new variable was former President Jimmy Carter's visit to Pyongyang on April 26- 28 along with three members of the group known as the Elders – former Irish President Mary Robinson, former Norwegian Prime Minister Gro Harlem Brundtland, and former Finland President Martti Ahtisaari. In explaining the group's visit, Carter said that they wanted to be of "assistance in reducing tensions and help the parties address key issues including denuclearization." The US State Department drew a clear line by emphasizing that Carter's trip was a purely private visit and that he did not carry an official message from President Obama. Nevertheless, his visit created quite a media buzz in South Korea. Retrospectively, Carter's previous Pyongyang visits had positive outcomes: in 1994, his visit opened a door for US-North Korean negotiations during the first nuclear crisis; in 2010, he secured the release of Aijalon Mahli Gomes.

This visit, although well-intentioned, proved fruitless. Carter failed to meet Kim Jong Il or Kim Jong Un as he had hoped, and failed to secure the release of Jun Young-su, a Korean-American held in the North since November. When Carter returned through Seoul, furthermore, he was not given an audience with President Lee. However, President Lee did meet with the CSIS delegation visiting Seoul on the same day, composed of John Hamre, former National Security Advisor Jim Jones, former Deputy Secretary of State Richard Armitage, and former National Security Council staffers Mike Green and Victor Cha, to reiterate the firmness of his position and the principle that the DPRK cannot walk away from the *Cheonan* incident without an apology. Carter's group did receive a personal message from Kim Jong Il while they were in Pyongyang that restated past rhetoric about a willingness to meet any leaders at any time to discuss denuclearization, but provided nothing new in response to ROK proposals.

The most newsworthy item of Carter's trip was a news conference in Seoul in which he stated that the food crisis in North Korea was due to South Korean and US governments' refusal to send humanitarian aid. The ex-president argued that practice constituted human rights violations, which stirred up criticism in South Korea.

KORUS on the "home stretch"

After the US and South Korea successfully concluded supplementary deals to the Korea-US Free Trade Agreement (KORUS FTA) last year, both the Obama and Lee administrations spent the first months of 2011 preparing to submit their ratification bills to the legislatures of their respective countries. In South Korea, although opposition parties expressed their intention to block passage of the bill, many are optimistic over prospects for ratification. In fact, as the ruling Grand National Party (GNP) holds more than a majority of seats in the National Assembly – 172 seats vs. 127 seats held by the opposition parties – the math is clearly in favor of the KORUS FTA, which needs at least 150 votes.

However, the domestic political environment in South Korea for the ratification of the KORUS FTA is risky. It is uncertain how the GNP's losses in the recent by-election and the National Assembly's passage of the Korea-EU FTA will affect the ratification process. Also, there is a general preference within South Korea to move after ratification by the US Congress. Meanwhile, multiple translation errors found in the Korean text of the agreement that had been submitted to the National Assembly, caused the South Korea Cabinet to revoke the original ratification bill. It plans to resubmit a revised bill in May, likely delaying the process by a few more months.

Although President Obama remained firm on early ratification of the KORUS FTA before the FTAs with Colombia and Panama, the administration started negotiations on the latter two agreements to clear hurdles that were holding them up. Consequently, the US came to terms with Colombia on improving labor rights and signed a Tax Information Exchange Agreement with Panama in April, which bodes well for the KORUS FTA. While paving the way for the administration to introduce both Panama and Colombia FTAs in Congress, President Obama is now better positioned to build support in Congress to speed up the ratification process of the KORUS FTA.

Both the Obama administration and US Congress are aiming to achieve passage by July 1 to avoid lagging behind the Korea-EU FTA, set to take effect in the same month. The administration's efforts to push the agreement were manifested in visits to Seoul by Secretary of State Hillary Clinton, Commerce Secretary Gary Locke, and a delegation of lawmakers from both the Senate and House all in April to discuss ratification and build support for it. As Clinton put it, the deal is "on the home stretch," and we may see its ratification in Congress in the coming months.

Chronology of US-Korea Relations January – April 2010[†]

Jan. 3-7, 2011: US Special Envoy for North Korea Stephen Bosworth visits Seoul, Beijing, and Tokyo and meets "senior government officials to discuss next steps on the Korean Peninsula."

Jan. 3, 2011: In his first major address of the year, President Lee Myung-bak gives a message to North Korea that the "The path toward peace is yet open. The door for dialogue is still open."

Jan. 4, 2011: Grand National Party (GNP) lawmaker Nam Kyung-pil calls on the Congress to ratify the KORUS FTA, and the South Korean National Assembly will then follow suit.

Jan. 10, 2011: US Defense Secretary Robert Gates meets Chinese Minister of Defense Liang Guangjie in Beijing and discusses North Korean provocations and its nuclear program.

Jan. 11, 2011: Secretary Gates calls on North Korea to impose a moratorium on its missile and nuclear testing to help revive the Six-Party Talks.

Jan. 12, 2011: Chairman of the Joint Chiefs of Staff Adm. Mike Mullen states that North Korean nuclear and missile technology pose a serious threat to the US.

Jan. 13, 2011: South Korea and the US agree on a 10-year joint study to determine if Seoul should be allowed to reprocess spent nuclear fuel with a new, proliferation-resistant technology.

Jan. 14, 2011: Secretary Gates meets President Lee, Defense Minister Kim Kwan-jin, and Foreign Minister Kim Sung-hwan in Seoul.

Jan. 15, 2011: Japanese Foreign Minister Maehara Seiji and President Lee meet in Seoul and call for the UN Security Council (UNSC) to deal with North Korea's recently unveiled uranium enrichment program.

Jan. 17, 2011: Commander of US Forces in Korea (USFK) Gen. Walter Sharp warns of North Korea's long-range missiles and says they must be destroyed if they pose a threat.

[†] Compiled by Nick Anderson

Jan. 17, 2011: South Korean National Security Advisor Chun Young-woo says on a *PBS News Hour* interview that North Korea must apologize for the *Cheonan* sinking and the Yeonpyeong shelling before engagement is possible between the two Koreas.

Jan. 19, 2011: Presidents Barack Obama and Hu Jintao release a Joint Statement and agree that North Korea must avoid further provocations and abide by its denuclearization commitments.

Jan. 25, 2011: During his State of the Union Address, President Obama urges North Korea to abandon nuclear weapons. He also holds up South Korea as a model when discussing education and infrastructure.

Jan. 26, 2011: US Deputy Secretary of State James Steinberg meets President Lee and Foreign Minister Kim in Seoul to brief them on the US-China summit and to discuss North Korea and the resumption of the Six-Party talks.

Jan. 28, 2011: Deputy Secretary Steinberg travels to Beijing to meet Chinese State Counselor Dai Bingguo and discuss North Korea's nuclear program.

Feb. 2, 2011: Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell says "the essential first step in any process of reengagement with North Korea requires a true and significant North-South dialogue."

Feb. 6-8, 2011: US Special Envoy for North Korean Human Rights Robert King visits Seoul to discuss human rights issues.

Feb. 8-9, 2011: North and South Korea hold colonel-level military talks in Panmunjom but fail to reach agreement on an agenda for higher level talks or a date for further preliminary talks.

Feb. 10, 2011: South Korea and the US sign the supplementary KORUS FTA, paving the way for its ratification in both countries' legislatures.

Feb. 14, 2011: *JoongAng Ilbo* reports that China is opposing an effort by a United Nations sanctions committee to adopt a report on North Korea's uranium enrichment program.

Feb. 15, 2011: State Department says it has no immediate plans to give food aid to North Korea.

Feb. 22, 2011: State Department dismisses North Korea's proposal for bilateral engagement.

Feb. 24, 2011: US Pacific Command Commander Adm. Robert Willard meets ROK Chairman of the Joint Chiefs of Staff General Han Min-koo and other ROK military leaders in Seoul to discuss plans for the joint military exercise that will begin the following week.

Feb. 28, 2011: ROK government announces that it has no plans to seek a return of US nuclear weapons to the Korean Peninsula, citing their 1991 joint denuclearization declaration with the North as the primary reason.

Feb. 28, 2011: US National Security Council (NSC) restates that it has no plans to deploy tactical nuclear weapons in South Korea.

Feb. 28-April 30, 2011: South Korea and US conduct the annual *Foal Eagle/Key Resolve* military exercises. *Key Resolve* is a computer-based simulation and runs through March 10. *Foal Eagle* is the field training portion of the exercise, and will continue through April 30.

March 3, 2011: South Korea and the US begin their second round of talks regarding the renewal of their civil nuclear deal which is set to expire in 2014.

March 12, 2011: The US reaffirms that it will consult closely with South Korea before agreeing to resume food aid to North Korea.

March 14, 2011: Assistant Secretary of Defense for Asian and Pacific Security Affairs Wallace Gregson meets Defense Minister Kim Kwan-jin in Seoul to discuss bilateral security issues.

March 19, 2011: 12 North Korean economic officials depart on a 16-day tour of the US and its industry, dubbed by *JoongAng* as a “crash course in American-style capitalism.”

March 25, 2011: State Department affirms that former President Carter’s planned upcoming trip to Pyongyang will be a private, non-official matter.

March 28, 2011: South Korea and the US open their first session of the Extended Deterrence Policy Committee in Hawaii.

April 12, 2011: State Department urges North Korea to release a US citizen who is currently being held in the North.

April 12-14, 2011: Special Representative for Korean Peninsula Peace and Security Affairs Wi Sung-lac visits Washington and meets Special Representative for North Korea Policy Steven Bosworth and Special Envoy for Six-Party Talks Sung Kim to discuss North Korea issues.

April 14, 2011: North Korea announces that it is preparing to indict a Korean-American who has been in captivity for “unauthorized religious activities.”

April 14, 2011: US announces that it has signed a missile defense agreement with the ROK.

April 16, 2011: Secretary of State Clinton meets Foreign Minister Kim Sung-hwan in Seoul to discuss bilateral relations and coordinate North Korea policy.

April 17, 2011: Secretary Clinton meets President Lee in Seoul and affirms her certainty that the US will approve the pending KORUS FTA in relatively short order.

April 17, 2011: ROK Ministry of Education, Science, and Technology announces that the ROK and the US have agreed to carry out a joint study on safe ways to store spent fuel.

April 18, 2011: President Obama reinforces trade sanctions against North Korea that have been in place since 2006.

April 20, 2011: Foreign Minister Kim Sung-hwan meets US House representatives Tom Reed (R-NY) and Karen Bass (D-CA) in Seoul to discuss the KORUS FTA.

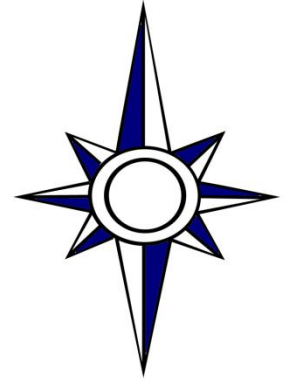
April 21, 2011: The Obama administration dismisses calls from some senators to get wider access to South Korean beef markets in the pending KORUS FTA.

April 24-29, 2011: Former US President Jimmy Carter, former Finnish President Martti Ahtisaari, former Norwegian Prime Minister Gro Brundtland, and former Irish President Mary Robinson visit China, North Korea, and South Korea in an effort to “ease tensions on the Korean Peninsula.”

April 26, 2011: ROK government withdraws the KORUS FTA bill from the National Assembly to deal with translation errors, which could delay its ratification for months.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



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US-Southeast Asia Relations:

Dismay at Thai-Cambodia Skirmishes

Both the US and ASEAN expressed dismay at border skirmishes between Thailand and Cambodia around the Preah Vihear temple and two other ancient temples about 160 km to the west. Artillery exchanges and small arms fire call into question the two countries' commitment to the ASEAN rule of the peaceful settlement of disputes among its members. Washington has promised to aid Philippine maritime capabilities to patrol both its South China and Sulu Seas' territorial waters as part of a larger US goal of keeping Asian sea lanes open. New ships and radar installations as well as navy and coast guard training are being provided by the US. In Indonesia, the US embassy inaugurated a new public diplomacy program, *@america*, an interactive information technology site designed to demonstrate the breadth of American life to Indonesia's tech-savvy young people. *Wikileaks* releases of US embassy cables published in the Australian press critical of President Yudhoyono caused some tension between Jakarta and Washington. As the current ASEAN chair, Indonesia seemed to follow Secretary of State Clinton's call for an ASEAN role in resolving the South China Sea islands dispute. US relations with Vietnam and Cambodia continue to be strained over human rights concerns. While ASEAN has called for the lifting of economic sanctions on Burma since its recent national election and the release of Aung San Suu Kyi from house arrest, Washington seems in no hurry to follow suit, labeling the election as fatally flawed and noting that political prisoners remain in jail. Finally, the US promised high-level participation in ASEAN-led regional organizations, including the ARF, the ADMM+, APEC, and the EAS.

Cambodia/Thailand/ASEAN: Preah Vihear border conflict

From its 1967 inception, Association of Southeast Asian Nations (ASEAN) members agreed to a sacrosanct basic principle: they would settle disputes with one another peacefully. Although the principle has been breached on occasion – most recently Indonesian-Malaysian naval skirmishes near the Ambalat Islands – generally the peaceful settlement norm has been honored. Currently, however, it is undergoing a significant test in the confrontation between Cambodia and Thailand over the land border on which the ancient Preah Vihear Hindu temple, as well as two other ancient temples about 160 km to the west, are situated. Rarely have ASEAN members' bilateral conflicts enlisted the intervention of the Association. However, the Thai-Cambodia border conflict has proven to be an exception.

Although the Preah Vihear temple itself was awarded to Cambodia by the World Court back in 1962, the land around the temple site remains contested and, after the UN Educational, Scientific and Cultural Organization (UNESCO) labeled the structure a World Heritage site in 2008, Thai nationalist sentiments led to military outbursts between Cambodian and Thai armed

forces. Shots and artillery fire have been exchanged six times since 2008 – the first time ASEAN members were involved in a shooting war against each other. Most recently, casualties resulted from fire fights in February and late April, and thousands of refugees have fled the border areas on each side. The Preah Vihear “border war” constitutes a serious challenge to plans for an ASEAN Security Community, which has as one of its foundation stones the ASEAN pledge not to use force to settle differences.

Domestic Thai politics complicate any resolution of the Preah Vihear conflict. Although ultra-nationalist “Yellow Shirts” were initially supportive of Prime Minister Abhisit Vejjajiva’s military-backed government, they broke ranks in 2010 because of his alleged failure to defend “Thai territory” in the Preah Vihear region. Elements in the army and the business community back the ultra-nationalists because they fear that without a strong nationalist turnout, elections scheduled for this summer will lead to the return of deposed and exiled former Prime Minister Thaksin Shinawatra. The “Yellow Shirts” have held demonstrations outside government offices in Bangkok demanding that the government tear up border agreements with Cambodia and press Phnom Penh to leave the area adjacent to the temple claimed by Thailand.

Cross-border shelling in early February led Cambodia to call for an urgent meeting of the UN Security Council. Cambodian Prime Minister Hun Sen asked for UN troops to be sent to the area and said he would also welcome ASEAN’s good offices to resolve the dispute. The US, China, the UN, and ASEAN have all expressed concern over the border conflict and urged the two neighbors to exercise restraint. The UN Security Council – meeting in February – asked ASEAN to mediate. As the Association’s current chair, Indonesian Foreign Minister Marty Natalegawa has shuttled between Bangkok and Phnom Penh. On Feb. 23, US State Department spokesman P.J. Crowley welcomed Indonesia’s mediation efforts as well as an ASEAN foreign ministers’ appeal for both sides to resume negotiations.

However, internal disagreements in Thailand continue to obstruct any settlement. Now, there is a split between the Foreign Ministry and the military with the former promoting dialogue and the latter insisting that a negotiated solution with Cambodia is impossible. In late February, the military claimed that Cambodia was Thailand’s most worrisome external threat. Both governments have escorted groups of military attachés, including Americans, to see the damage around Preah Vihear. However, the Thai Army has refused to allow Indonesian observers to inspect the border area even though the two sides had initially agreed at a special meeting of ASEAN foreign ministers in Jakarta on Feb. 22 to an Indonesian presence on both sides of the border. The Thai Army has also balked at attending General Border Committee meetings with Cambodia if they are held in Indonesia, insisting that no third party needs to be involved in the General Border Committee meetings, which should take place only in Thailand and Cambodia. On March 23, a Cambodian Defense Ministry spokesman, referring to the Thai demand, stated: “This shows they do not respect the decisions of the United Nations and the ASEAN foreign ministers.”

By late April, ASEAN’s efforts to mediate the Preah Vihear border conflict had yielded mixed results. Elements of the two armies still confront each other in close proximity. Large numbers of refugees have been created on both sides, and the stalemate is enmeshed in the intricacies of Thai internal politics and bureaucratic disagreements, rendering external mediation

fruitless. Still, there has been UN recognition that ASEAN is the appropriate forum in which to negotiate a resolution. Moreover, the Association continues to provide its good offices. As ASEAN's current chair, Indonesia sees this effort as a first test for the nascent ASEAN Security Community. Perhaps these efforts demonstrate that ASEAN is now ready to become involved in defusing military disputes among its members and stay the course despite what appears to be a minimal prospect for success. An intense exchange of artillery and small-arms fire that resulted in at least 18 deaths in late April appears to even further marginalize efforts at reconciliation.

US boosts Philippine defense capacity

Long regarded as having among the weakest maritime defense capabilities in Southeast Asia, Philippine nationalists have criticized the US for not contributing more to Manila's long-delayed armed forces modernization. In early January, Philippine Sen. Gregario "Gringo" Honasan complained: "We're practically getting crumbs, or \$50 million annually, from the US government for their stay in the country compared to the massive military aid it gives to other countries with lesser or equal military importance to them." Continuing, the senator insisted that the Philippines should assert itself when the Visiting Forces Agreement (VFA) is renewed. Manila should treat the VFA as a "lease contract" under which the US must pay "fair money" for the use of Philippine resources.

Whether Washington listened to Honasan is unknown, but in late January at the inaugural Philippine-US strategic dialogue, Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell promised that the Obama administration was committed to boosting Philippine maritime capacities to patrol its waters as part of a larger goal of keeping Asian sea lanes open. Indirectly referencing Chinese insistence that maritime disputes such as the Spratly Islands be settled bilaterally by the claimants alone, Campbell said they should also be addressed in larger settings "in order to develop confidence on these issues and the larger Asia-Pacific region." More specifically at a Feb. 2 Washington press conference, Campbell promised the "provision of equipment through excess defense sales, training of elements of their coast guard and navy, and deeper consultations at a strategic, political, and military level."

On March 7, the Philippine announced the purchase of a large *Hamilton*-class patrol craft from the US, refurbished to boost the country's border patrol capacity and defend its territorial claims in the South China Sea. The patrol craft – a high endurance cutter – will be the most modern ship in the Philippine inventory and could be used to protect the country's oil exploration vessels, one of which was recently harassed by PRC fishery patrol boats. Scheduled for delivery in August, the *Hamilton*-class boat represents 1960s US naval technology. Nevertheless, it adds a more modern touch to the Philippine Navy, most of whose ships were commissioned in World War II. Additionally, the US has finished building 11 of 17 planned *Coast Watch South* radar stations in the southern Philippines. This network will stretch from Palawan in the west to keep watch on the South China Sea to eastern Mindanao to monitor the Sulu Sea. Washington has appropriated \$60 million for the stations drawn from anti-terrorist funds. The money has also bought a first batch of 10 Rigid Hull Inflatable Boats that will replace old patrol watercraft. The *Coast Watch South* area is a haven for smuggling and piracy as well as an escape route for terrorists who operate between Indonesia and the southern Philippines. Philippine Navy Commander Orwen Cortez was quoted in the April 11 issue of *Defense News*, saying that the

Philippines needs to develop a cooperative arrangement with Indonesian and Malaysian maritime agencies to deal more effectively with criminal activity in these waters.

Terrorism, religious persecution, public diplomacy, and Wikileaks pepper Indonesia-US relations

In early February, Indonesian authorities charged one of the country's senior radical clerics, Abu Bakar Bashir, with terrorism – a capital offense. Bashir is the spiritual leader of Jemmah Islamiyah (JI), the al-Qaeda-linked radical organization that perpetrated the 2002 Bali bombings and subsequent Indonesian attacks using explosives and suicide bombers. This is Bashir's third arrest for terrorism. Now, he is accused of coordinating and financing a militant group that had set up a training camp in the northern Sumatra province of Aceh. Although Bashir was acquitted of the earlier charges, Sidney Jones of the highly regarded International Crisis Group believes the authorities have a strong enough case this time for a conviction. As in past arrests, Bashir proclaims his innocence and argues that his arrest is part of a US-Israel plot.

Attacks against Christians and members of the Ahmadiyah minority sect have increased recently, and Islamist groups are also pressing the government to pass a strong anti-pornography law as well as ban the Ahmadiyah sect from propagating its faith. In a *Voice of America* interview on March 2, Sidney Jones pointed out that while the Indonesian government has cracked down on terrorist groups, it has been slow to respond to violence related to religious intolerance because the government perceives popular support for limiting other religious groups: "That is why we have the minister of religion making repeated statements about the need to ban Ahmadiyah and the fact that it is their own fault for getting attacked because they don't leave Islam." The persecution of Ahmadiyah escalated after several local governments issued decrees banning its practices, and Indonesia's two largest Muslim organizations – generally considered to be moderate – Muhammadiyah and Nahdlatul Ulama (NU) urged the government to take strong action against Ahmadiyah. The US embassy weighed in on March 4 on the side of Indonesian human rights groups saying that restrictions on religious freedom were damaging Indonesia's international reputation as a democracy with a tradition of tolerance and a commitment to protect the freedom of all its citizens.

Meanwhile, also in early March, the Indonesian National Police (Polri) met officials from the FBI, including Director Robert Mueller. The two sides signed a Memorandum of Understanding (MOU) on counterterrorism, anti-crime, and counter-corruption cooperation. The FBI also promised to assist Polri in capacity building for all the categories covered in the MOU. The US agency has been working closely with Polri in combination with the Australian Federal Police since the 2002 Bali bombings.

In April, with the help of the CIA, Pakistan captured the notorious Indonesian terrorist, Umar Patek, for whom the US had offered a \$1 million reward in 2005. A master bomb maker and considered a prime suspect in the 2002 Bali bombings, Patek remains in Pakistan although Indonesian authorities have gone there to verify his identity and arrange his transfer back to Indonesia. The Obama administration has not requested custody although US officials believe he has significant information on Southeast Asian militants linked to Al Qaeda. Some Republican lawmakers have criticized the US Justice Department for not seeking Patek's transfer

to Guantanamo, but the Obama administration may not want to add prisoners to that notorious facility. US officials expect the CIA will be given intelligence gleaned from Indonesia's interrogation of Patek and may even be allowed to sit in, but the procedure will be entirely in Jakarta's hands.

US public diplomacy ramped up a notch in Jakarta with the opening of its first full-fledged cultural center since Sept. 11, 2001. Named *@america*, it is a high-tech interactive operation located in a shopping mall and designed to appeal to Indonesian youth. The center is run by a private Indonesian company led by a US citizen. This is the first US cultural center in Indonesia since the mid-1990s. US cultural centers worldwide were shut down in the wake of 9/11 because of security concerns and replaced by "American Corners" in foreign university libraries. US Ambassador Scot Marciel stated that *@america* will help "young Indonesians ... realize that the US is an open culturally diverse country that can be a good partner and friend for Indonesia ...". While *@america* may be the first in a series of new public diplomacy efforts, China has opened 320 Confucian Institutes throughout the world, with dozens of them in Southeast Asia.

In addition to the new cultural center, Washington hopes to double the number of Indonesian students studying in the US, as university recruiters are being assisted by the US embassy in Jakarta. Ambassador Marciel in an April 6 interview with VOA said that 90 percent of Indonesian applicants accepted by US universities received visas and that the US hopes to significantly increase the numbers. However, fewer than 7,000 students were in the US last year.

Wikileaks cables continue to roil US relations with a number of countries, including Indonesia. Australian newspapers on March 11 published reports based on leaked US embassy cables discussing links and favors between President Yudhoyono and a prominent Indonesian businessman. The cables stated that Yudhoyono personally intervened to influence prosecutors and judges to protect corrupt political figures and that he used Indonesian intelligence to spy on political rivals. Indonesian State Secretary Sudi Silalaki denied the reports and insisted that the US apologize for the leaked cables. Ambassador Marciel apologized for the leaked documents, but the embassy added it could neither confirm nor deny their veracity. The question remains as to whether Australian media will publish any more of the 3,059 US cables from Jakarta that *Wikileaks* has provided to the Australian press.

Indonesia and the Philippines weigh in on the South China Sea

As ASEAN's current chairman, President Yudhoyono stated in February that he wanted to make progress in the South China Sea dispute over the ownership of the Spratly Islands. Though not a claimant, Indonesia has an interest in the issue since China's famous "nine dotted line" map could lead it to claim waters around Indonesia's Natuna islands – a prime natural gas location. Yudhoyono's insistence that ASEAN has a role to play can also be seen as a follow-on to Secretary of State Hillary Clinton's urging at the July 2010 ASEAN Regional Forum (ARF) meeting that ASEAN become the venue for Spratly negotiations. In a March 8 joint press conference with President Aquino, Yudhoyono expressed hope that rather than a zone of conflict, the South China Sea can become "a zone of potential economic cooperation ... [where] through ASEAN, we'll continue to work together to ensure security in the supply of energy in the South China Sea."

China's February patrol boat harassment of a Philippine oil exploration vessel in Manila's Exclusive Economic Zone (EEZ) may well have driven Southeast Asian Spratly claimants closer to the US as a security guarantor in these crucial waters. Indeed, China has agreed to meet with ASEAN to discuss a formal code of conduct, even hosting a conclave on Jan. 24-25 in Kunming. Secretary Clinton in a March 14 phone call to Philippine Foreign Affairs Secretary Albert del Rosario reiterated Washington's offer to mediate negotiations for a South China Sea code of conduct. The Chinese ambassador to the Philippines stated, however, that US mediation would "magnify" the issue and make it more difficult to settle. On April 9, at a special ASEAN-Japan ministerial meeting in Jakarta, ASEAN announced that it has agreed not to discuss the South China Sea at ASEAN's annual gathering and, as long as the South China Sea is quiet, according to Indonesian Foreign Minister Marty, ASEAN will not raise it at the East Asia Summit either.

Vietnam's heavy-handed human rights actions strain US relations

Washington's concern about human rights in Vietnam has strained relations with Hanoi. On Jan. 6, the US strongly protested to Vietnam after a US diplomat, who monitors human rights, was manhandled and briefly arrested after trying to visit a dissident Catholic priest. US Ambassador Michael Michalak told reporters, "This is a very serious incident," and a violation of the Geneva Convention on diplomatic relations requiring all governments to ensure the safety and security of diplomats. Human Rights Watch stated that the assault on Christian Marchant, a political officer at the embassy since 2007 and a noted human rights advocate, fits a pattern of police brutality in Vietnam. A Foreign Ministry spokeswoman responded by saying Vietnam would investigate the incident that occurred in Hue but that "diplomats have the responsibility to respect the laws of the host country...." The incident occurred one week before the meeting of Vietnam's ruling Communist Party Congress, a once-in-five-years event that determines top leadership posts.

While relations between the US and Vietnam have flourished in recent years with US companies making large investments and military officials meeting regularly with their Vietnamese counterparts – spurred in part by the desire to balance China's growing military profile in the region – human rights remain a topic where Hanoi bristles at Washington's criticism. In December, the US House of Representatives called for including Vietnam in a US blacklist of countries that have engaged in "severe violations of religious freedom." Vietnam had been on that list from 2004 to 2006, but was removed when Washington stated it was satisfied that Hanoi was loosening religious restrictions. At the end of March, Human Rights Watch reported that the Vietnam government was closing small, informal Protestant churches attended by the minority Montagnards in the central highlands of the country. Culturally and ethnically distinct from the majority lowland Vietnamese, the Montagnards worship in house churches that have been declared illegal by the Vietnamese government. Hanoi is concerned about links between Montagnard religious activity and US evangelical groups. Many Montagnards fought alongside US and South Vietnamese troops in the Vietnam War, and some continued their resistance after the Communist victory in 1975.

Cambodia is also on the US human rights radar. In January, the State Department said it had "serious concerns" about a draft law aimed at restricting the activities of charity workers affiliated with nongovernmental organizations (NGOs). A number of organizations including

Human Rights Watch and Amnesty International have protested that the law “should be abandoned because it will undermine rather than promote civil society.” NGOs have played a significant role in rebuilding Cambodia. They are frequently funded by and implement developed countries’ aid programs.

ASEAN calls for lifting sanctions on Burma; Washington withholds approval

Last November’s National Assembly election in Burma – the first in over 20 years – led to the installation of a new legislature at the end of January. Some opposition political parties were permitted to run, though not Aung San Suu Kyi’s National League for Democracy (NLD), which won the country’s last free election. The November election swept the ruling military new Union Solidarity and Development Party (USDP) into office with over 80 percent of the seats. Moreover, Burma’s new charter reserves 25 percent of the National Assembly for the military. In late December, the state-run newspaper *New Light of Burma* told the opposition to stop calling for reconciliation and instead support the government. Additionally, the country’s president has the right to call a “national emergency” at any time and hand executive and judicial power to the commander-in-chief of the armed forces.

An ASEAN meeting on Jan. 17 described the election as “conducive and transparent” and went on to urge “the immediate or early removal or easing of sanctions that have been applied to Myanmar by some countries.” Reflecting the vested economic interests several ASEAN countries have in Burma and a longstanding belief that working with the military regime is a better strategic option than isolating it and providing China with uncontested access, ASEAN’s welcome for the new government contrasts with Washington’s continued skepticism and President Obama’s 2009 statement that the US will lift sanctions only if the military government makes satisfactory progress on democracy and human rights. The recent election has not met those conditions. Even Indonesia’s Foreign Minister Marty has stated that “There needs to be reconciliation and dialogue with Aung San Suu Kyi and various parties in Myanmar so they can be part of the change in Myanmar.”

Prior to the November election, the US was reconsidering its earlier policy of economic isolation. Nevertheless, on Feb. 3, Assistant Secretary of State Kurt Campbell said ending the economic sanctions would be premature, although the Obama administration would keep trying to reach some level of engagement with the regime. Currently, the sanctions include freezing assets of firms linked to the rulers and banning US investment. On Feb. 8, Aung San Suu Kyi’s NLD party endorsed the continuation of Western sanctions, saying they hurt the regime, not ordinary citizens. Despite the sanctions – which many say have prevented neither foreign investment nor trade with Burma – China, India, Thailand, South Korea, and other Asian countries have economically engaged the resource-rich country. The latest sign that Washington will continue to probe prospects for better relations with Burma was the April 15 announcement that Derek Michell, currently assistant secretary of defense for Asia and the Pacific, would be appointed the special envoy to Burma. The announcement followed a decision by the European Union to relax some of its sanctions against members of Burma’s new government.

US collaboration and participation in Asian institutions grows

The Obama administration's commitment to high-level US participation in ASEAN-based international political/security organizations was reiterated by Assistant Secretary Campbell in a Feb. 2 press conference where he noted that the US president would attend the East Asia Summit and host a US-ASEAN heads of state meeting as well as an APEC meeting in Hawaii. In late December, Indonesia's Defense Minister Purnomo Yusgiantoro also noted the importance of participation by external powers such as the US in the ASEAN Defense Ministers Meeting Plus (ADMM+), from which Indonesia and the US will lead counterterrorism and de-radicalization training programs in Bali in 2011. The US is also participating in the ARF disaster relief exercise in Indonesia where, on March 15, Ambassador Marciel assured ASEAN countries that the US is committed to supporting ARF activities.

The US is also raising its military profile in Southeast Asia. In mid-January the US Navy's newest *Virginia*-class nuclear attack submarine visited Singapore, where its commander told the local press that the visit underscores the US commitment to augment its presence in this part of the world. Sixty percent of the US submarine fleet is now deployed in the Pacific. The commander, Capt. Stephen Mack, also noted that the *USS Hawaii* is designed to operate in shallow waters, including the South China Sea. Also indicative of the substantial US military presence in Southeast Asia is the annual *Cobra Gold* military exercise in Thailand. Conducted in February, this year's exercise included about 17,000 armed forces from the US, Thailand, Japan, Singapore, Indonesia, Malaysia, and South Korea. US forces totaled some 7,300. The drills encompassed peacekeeping, humanitarian aid, and disaster relief. This is the first year that Malaysia and the ROK joined the exercise. *Cobra Gold* constitutes the largest multinational exercise in the world. In addition to the participating armed forces, Brunei, China, India, Laos, the Netherlands, New Zealand, Russia, and South Africa sent observers. As in the recent past, this year's exercise emphasized nontraditional security, although there was also a field exercise involving a multinational amphibious assault conducted by Thai, US, and Korean forces. This was *Cobra Gold's* 30th year.

Looking ahead

After a number of years in which US embassies and consulates have been underfunded and their activities reduced compared to the Cold War era, it is heartening to see a revival of public diplomacy in Southeast Asia. The inauguration of @america in Jakarta designed to appeal to tech-savvy young Indonesians has been an early success, providing a positive image of the US to the upcoming generation. Combined with more opportunities for higher education in the US, one hopes that these new relationships will be duplicated throughout the region. It is true that the US economy is still recovering and that many government agencies' budgets are under pressure. However, the remarkably small appropriation for the State Department and even smaller amount for public diplomacy should not only be spared but increased if the US hopes to present more effectively its qualities to the world.

Chronology of US - Southeast Asian Relations January - April 2011

Jan. 4, 2011: Indonesian Defense Minister Purnomo Yusgiantaro states that Indonesia and the US will lead an ASEAN Plus 8 counterterrorism training program in Bali later this year.

Jan. 6, 2011: The US lodges a protest with Vietnam for a police assault on a US diplomat who monitors human rights after he tried to visit a dissident priest.

Jan. 15, 2011: The Philippine government applauds a US court decision awarding compensation to victims of abuse during the Ferdinand Marcos regime. Each of 7,500 victims will be awarded \$1,000, a symbolic acknowledgment of their suffering. The money will be distributed from frozen Marcos-era assets in the US.

Jan. 16, 2011: At an ASEAN Foreign Ministers Meeting in Lombok, Indonesia, the ministers urge the US and Europe to lift sanctions against Burma now that the country has held elections and released Aung San Suu Kyi from house arrest.

Jan. 18, 2011: The *USS Hawaii*, a new Virginia-class nuclear attack submarine, visits Singapore.

Jan. 26, 2011: US-based Human Rights Watch releases a report condemning the Burmese military junta's November 2010 election and the new government's human rights violations.

Jan. 27-28, 2011: The US and the Philippines hold their first-ever Strategic Dialogue in Manila bringing together officials from their respective foreign affairs and defense departments. Assistant Secretary of State Kurt Campbell promises US aid to the Philippine Navy to help increase its patrol capabilities in surrounding waters.

Jan. 31, 2011: Burma's Parliament convenes for the first time in two decades after flawed elections permit the military to dominate the legislature through reserved seats and a military-backed political party.

Feb. 7-18, 2011: The annual *Cobra Gold* joint multilateral military exercise involving 17,000 personnel is held in Thailand with seven countries – US, Thailand, Japan, the ROK, Indonesia, Singapore, and Malaysia – participating.

Feb. 9, 2011: US State Department spokesman Philip Crowley expresses concern over Indonesian mob violence against the minority Ahmadiyah community as well as church bombings in central Java.

Feb. 11, 2011: The *USS Essex* Amphibious Ready Group begins an exercise with the Royal Cambodian Armed Forces, emphasizing humanitarian activities.

Feb. 14, 2011: Thailand's Foreign Minister Kasit Piromya and Cambodia's Foreign Minister Hor Namhong present arguments to the UNSC in New York regarding the disputed border area

near the Preah Vihear temple. They also hold separate talks mediated by Indonesian Foreign Minister Marty Natalegawa.

Feb. 16, 2011: The US calls on Burma to see that no harm comes to opposition leader Aung San Suu Kyi after her party issues a statement urging Western countries to maintain their sanctions against the new regime.

Feb. 27-March 2, 2011: US and Cambodian navies hold joint exercises to build humanitarian intervention capabilities.

March 4, 2011: The US embassy in Jakarta issues a statement that government regulations restricting religious freedom of the Admadiyah sect would damage Indonesia's reputation as a tolerant country protecting religious freedom.

March 4, 2011: US Senate confirms David Corden as the first full-time US ambassador to ASEAN, succeeding Scot Marciel who is now US ambassador to Indonesia.

March 7, 2011: Australian Prime Minister Julia Gillard visits President Obama at the White House where they discuss climate change, trade, Afghanistan, and Libya. President Obama praised Australia as one of the strongest allies of the US.

March 7-9, 2011: The US 7th Fleet command ship, *USS Blue Ridge*, visits Port Klang, Malaysia. US Ambassador to Malaysia Paul Jones states that about 40 US Pacific Fleet ships will visit Malaysia this year.

March 9, 2011: Prime Minister Gillard addresses a joint session of the US Congress.

March 11-12, 2011: Senior Officers Meeting of APEC is held in Washington at which Secretary of State Hillary Clinton reiterates US support for continuing APEC efforts to open trade and investment opportunities.

March 14, 2011: Secretary Clinton in a phone call to Philippine Foreign Affairs Secretary Albert del Rosario expresses concern over a March 2 maritime incident where Chinese naval boats harassed a Philippine oil exploration vessel near the Spratly Island Reed Banks.

March 15, 2011: The ASEAN Regional Forum (ARF) launches a disaster relief exercise in Manado, Indonesia. US Ambassador to Indonesia Scot Marciel expresses US support for these "major multilateral cooperative activities" by the ARF.

March 24, 2011: Vietnam deports three Vietnamese-Americans who had participated in farmers' protests against government graft and illegal land grabs in Ho Chi Minh City. The US Consulate helped facilitate the protesters' release.

March 29, 2011: Indonesian President Susilio Bambang Yudhoyono offers to send Indonesian troops to help implement a UN-mandated ceasefire in Libya if the UNSC desires. He criticizes the UNSC-sanctioned no-fly zone because it leads to civilian casualties.

March 31, 2011: Singapore takes command of the Combined Task Force operating in the Gulf of Aden and western Indian Ocean in counter-piracy operations. The command teams operate from the US destroyer *USS Mason*.

April 5-15, 2011: The US and the Philippines conduct the 27th annual *Balikatan* (shoulder-to-shoulder) bilateral military exercises in the Philippines. The exercises are held partly off Palawan near the Spratly Islands. Some 500 soldiers from the Korea-based Second US Infantry Division participate, illustrating the Pentagon's "strategic flexibility" doctrine.

April 9, 2011: Indonesia convenes a special ASEAN-Japan Ministerial Meeting co-chaired by Indonesian Foreign Minister Marty Natalegawa and Japanese Foreign Minister Matsumoto Takeaki at the ASEAN Secretariat to discuss ASEAN-Japan cooperation on the management of disasters in the region.

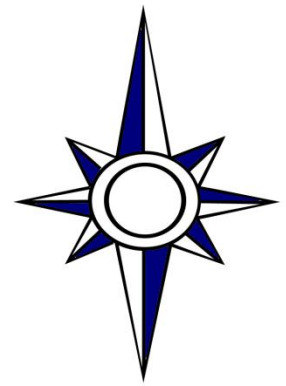
April 11, 2011: Foreign ministers and diplomats from ASEAN member countries hold a special informal ASEAN Foreign Ministers Meeting on the East Asian Summit (EAS) in Bangkok.

April 14, 2011: Philippine Department of Foreign Affairs confirms that it filed a formal protest in the UN over China's so-called "nine-dash line" territorial claim over the South China Sea.

April 15, 2011: President Obama nominates Defense Department official Derek Mitchell to be special envoy to Burma subject to confirmation by the Senate.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



China-Southeast Asia Relations:

China Reassures Neighbors, Deepens Engagement

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Following last year's strong Chinese criticisms of US and regional moves seen directed against Chinese policies in Southeast Asia, the reassuring message of good neighborliness and cooperation that Chinese leaders and commentary reverted to at the end of 2010 continued into 2011. The shift was reflected through more positive attention to Southeast Asia and other neighbors, seeking to advance extensive Chinese engagement, especially rapidly growing economic interchange, while endeavoring to play down differences over territorial disputes and other questions. Wariness remained over US policies and practices, but disputes were registered less frequently and in less strident tones than in much of 2010. The treatment was consistent with the improvement in China-US relations registered in Chinese commentary coincident with the prelude and aftermath of President Hu Jintao's January visit to Washington.

In contrast with the assertiveness and truculence seen in much of the previous year, China's handling of issues in the South China Sea remained moderate, although it showed few signs of compromise, seeking instead to "shelve" differences or engage in protracted diplomacy. China duly countered actions and positions by other disputants, notably the Philippines and Vietnam. US officials reported that the Chinese Navy had become less assertive in shadowing US Navy ships operating in contested waters along China's rim. There were few disclosures regarding the results of Chinese consultations with ASEAN representatives seeking to implement a code of conduct in the disputed South China Sea. Meanwhile, China endeavored to solidify relations with neighboring Myanmar by sending a senior Communist Party leader to the country's capital in April, the first foreign leader to visit Myanmar following the establishment of the newly elected civilian government there.

China's message of reassurance and engagement

In response to a question about China's "more assertive" behavior toward China's Asian neighbors and the US, President Hu Jintao told the *Washington Post* in January that China would emphasize the positive in future relations; it would endeavor to build mutually beneficial relations that will deepen trust and allow differences over territorial and other issues to be handled according to international norms and in the spirit of mutual accommodation.

Hu's lengthy speech on building a "harmonious Asia" at the 10th annual Boao Forum for Asia held on China's Hainan Island in April stressed the importance of the China-ASEAN Free Trade Agreement (FTA) and other advancing economic interchange, the development of closer Asian regionalism consistent with the principles of consensus and incremental progress, and dealing with security and territorial differences without a "Cold War mentality" or "zero-sum" approach.

Hu urged friendly negotiations, goodwill, wisdom, and patience in settling differences through dialogue. Premier Wen Jiabao similarly endeavored to emphasize positive economic and other interchange while playing down differences during a trip to Malaysia and Indonesia in late April that he characterized as “a journey of friendship and cooperation.”

A wide-ranging effort by Chinese officials and commentary in China and abroad acknowledged that China’s actions in 2010 had resulted in regional backlash and other developments contrary to China’s longer-term interests in preserving and promoting regional stability, which is conducive to Chinese development and the smooth continuation of Communist Party rule in the country. Two Chinese Academy of Social Sciences specialists noted in official Chinese media at the turn of the year that China’s stance on maritime territorial disputes in the South China Sea and elsewhere along China’s periphery caused Asian disputants to “get close to the United States,” resulting in “a deteriorating maritime security environment” for China. Another Chinese specialist published an editorial in *China Daily* on Dec. 27 advising that it was important for China to “exercise restraint against outside provocations” over territorial or other disputes in order to avoid playing into the hands of the US, which was seen as seeking to enhance US leadership in the Asia-Pacific region.

China’s biannual Defense White Paper released March 31 noted that international “suspicions about China” and “interference and countering moves against China from the outside are on the increase.” It averred that the “volatile” Asian region has seen the US reinforce “its regional military alliances and increasing its involvement in regional security trends” – trends adverse to Chinese interests.

Writing in *Foreign Affairs* in March, veteran American affairs specialist Wang Jisi warned against the negative results of China’s “assertive” stance on territorial issues and the “reckless” use of the term “core interest” to define China’s claims in the South China Sea. The *New York Times* on March 31 cited Peking University Professor Zhu Feng for the view that “It’s not Chinese policy to declare the South China Sea as a core interest,” along with the view that “the problem is that a public denial will be some sort of chicken action on the part of Chinese leaders. So the government also doesn’t want to inflame the Chinese people.”

Adding to the string of reports suggesting a pullback from the tough rhetoric of 2010 over territorial and other regional disputes involving Southeast Asia was commentary in official Chinese media and other outlets by two prominent military commentators, People’s Liberation Army (PLA) Maj. Gen. Luo Yuan and PLA Navy Rear Adm. Yang Yi. The *South China Morning Post* on March 22 saw the commentators as shifting from their outspoken truculence of the past year to a posture giving more emphasis to peace and greater cooperation.

China-ASEAN foreign ministers meet in Kunming

Consistent with the recent thrust of Chinese commentary emphasizing the positive and playing down differences, Foreign Minister Yang Jiechi presided over a meeting with ASEAN foreign ministers marking the 20th anniversary of China’s Foreign Ministry dialogue with the group. The meeting took place on Jan. 25 in Kunming, the capital of China’s Yunnan Province, which borders Southeast Asian countries. Kunming in recent years has become an important hub of

growing Chinese trade, investment, infrastructure development, and other interchange with neighboring Southeast Asian countries. Representative of the growing webs of road, rail, pipeline, river, and electric grid connections binding Chinese bordering provinces with neighboring Southeast Asian countries is the Kunming-Bangkok Highway. The modern road passes through Chinese and Southeast Asian areas known for their difficult terrain and isolation. The Southeast Asian foreign ministers were reported by *People's Daily* to have traveled the Bangkok-Kunming road, entering Yunnan at the border crossing at Maohan, to complete the drive to Kunming.

Foreign Minister Yang and Chinese commentary stressed the importance of the meeting for China. It was the first time the annual meeting was held in China. Reflecting the salience of Southeast Asia in current Chinese foreign policy priorities, Yang notably postponed the annual Chinese foreign minister January visit to African countries until Feb. 9 to preside at the session. The Kunming meeting also marked the start of “the Year of China-ASEAN Exchange and Friendship,” with more than 30 events planned for 2011.

Reviewing the past 20 years of China-ASEAN development, Yang reminded the group of China’s many “firsts” in international relations with ASEAN. China was the first country to join ASEAN’s Treaty of Amity and Cooperation, to establish a “strategic partnership” with ASEAN, and to support the Southeast Asian Nuclear Weapons-Free Zone Treaty. He emphasized that China’s free trade agreement with ASEAN, another first which came into effect in 2010, witnessed an increase in China-ASEAN trade volume of 38 percent in 2010. According to Chinese figures, the amount of trade that year was valued at \$292.78 billion. Yang also emphasized growing social and cultural exchanges.

On international and security issues, the Chinese foreign minister stressed a record of mutual coordination and cooperation. He noted that the two sides issued the Declaration on Conduct of Parties in the South China Sea, which he reported as having “made important contributions to enhancing mutual trust and maintaining peace and stability in the South China Sea.”

Official Chinese media portrayed the ASEAN foreign ministers as strongly supportive of deepening cooperation and engagement with China. They reportedly made “many useful suggestions” on the implementation of the second five-year action plan for the China-ASEAN strategic partnership.

Kyodo reported on Jan. 25 that the Chinese Foreign Ministry spokesman that day said that the South China Sea issue was not on the agenda of the China-ASEAN foreign ministers’ meeting. The spokesman also said that Foreign Minister Yang had bilateral meetings with “relevant ASEAN foreign ministers” on the sidelines of the Kunming meeting. An account in official Vietnamese media said that the Chinese and ASEAN foreign ministers “stressed the importance of effectively implementing the Declaration of the Conduct of Parties in the East Sea.” It also disclosed that one of the events for the China-ASEAN strategic partnership was a planned ASEAN-China summit on the occasion of the 19th ASEAN summit in Indonesia later this year. China usually has been represented by Premier Wen Jiabao at such meetings but the wording in the Vietnamese dispatch suggested the possibility that President Hu Jintao may do the honors, in parallel with US President Barack Obama’s recent summits with the ASEAN leaders.

Hu Jintao at Boao Forum for Asia

As noted above, Hu Jintao's major speech on Asian harmony at the 10th Boao Forum for Asia meeting in Sanya, Hainan reaffirmed at the highest level Chinese approaches toward Southeast Asian and other neighboring countries. The address stressed the salience of Asian integration in the 21st century and argued that Chinese and regional interests would be well served by closer cooperation. The Chinese vision promised closer economic engagement with neighboring countries including greater Chinese investment and assistance sought by several Southeast Asian countries. It promised advances in Chinese building of "transport, energy pipelines, information and communication technologies and power grids" with Southeast Asian and other neighbors. It adopted an "inclusive" view of Asian regionalism, including groups like the East Asia Summit (EAS) that involve countries beyond the scope of what is often seen as China's preferred regional group, ASEAN Plus 3 (China, Japan, and South Korea). The speech also said China was open to participation of countries outside the region in regional affairs, although it did not mention the United States in this regard.

The salience of Hu's speech was underlined by the fact that the Chinese president has not been a regular participant at the Boao Forum. Also, Chinese commentary, which focused on the annual Boao meeting, had been subdued in past years, as Beijing gave attention to senior Chinese leaders participating at the economic forum in Davos, Switzerland and other international meetings. Adding to the importance of the Boao meeting was Hu's concurrent chairing of the annual BRIC (Brazil, Russian India, and China) meeting in Hainan and the issuing of the Sanya Communiqué welcoming South Africa to the newly expanded "BRICS." Several of the BRICS leaders attended the Boao Forum, and the participation of BRICS in building Asian regional development and harmony was highlighted in Hu's speech to the Boao group.

An article in *China Daily* on March 16 featured the comments of the secretary general of this year's Boao Forum, Zhou Wenzhong, who long served as China's ambassador to the United States, and other expert commentary highlighting the need for closer "integration of Asian economies, especially East Asian economies." The integration of East Asian economies was viewed as especially important in the face of what was seen as the failure of the Doha round of trade talks and rising protectionism from the US and Europe. Consistent with ongoing Chinese criticism of the US-backed Trans-Pacific Partnership (TPP) trade initiative, *China Daily* placed Chinese-fostered "inclusive growth" in the region at odds with the TPP, which was seen as a means to expand US influence in the Asia-Pacific region.

Wen Jiabao in Malaysia, Indonesia

Premier Wen visited Malaysia on April 27-28 and Indonesia April 28-30. His visit to Malaysia was the first in six years; he had never before visited Indonesia.

Wen's last visit to Malaysia in 2005 was typical of senior Chinese leaders travel to Southeast Asian countries in recent years; the trip coincided with and focused Chinese attention on the first EAS and other important multilateral meetings in Malaysia. Other Chinese senior leaders' travel to Southeast Asia in recent years similarly has been prompted by the need to participate in

important multilateral meetings held in the region. This time, Wen made the trip especially to boost relations with Malaysia. His unprecedented trip to Indonesia similarly indicated the higher priority China has been devoting to dealing with Southeast Asian countries in recent months.

The themes of both visits emphasized advancing trade, investment, and leadership contacts. Chinese commentary highlighted Malaysia's position as China's leading trade partner in Southeast Asia for three years running. 2010 trade was valued at over \$74 billion and growing fast. Indonesia's trade with China also was growing fast amid many widely publicized complaints about a "glut" of Chinese products "flooding" Indonesian markets as a result of the China-ASEAN FTA. Premier Wen and Indonesian President Susilo Bambang Yudhoyono reached agreement to expand bilateral trade to \$80 billion by 2015.

Wen's message of cooperation and goodwill did not signal a change in China's stance on controversial issues, notably Chinese maritime territorial disputes with Southeast Asian nations. According to *Kyodo*, he told journalists in Beijing prior to his departure on April 27 that "We take the position that territorial disputes over maritime rights and interests should be peacefully addressed and resolved by the countries concerned through bilateral channels. We disapprove of referring bilateral disputes to multilateral forums because that will only complicate the issue." The premier reiterated China's support for joint development of the resources of the South China Sea by "the countries concerned."

South China Sea developments

Though generally avoiding the truculent rhetoric and high-profile military exercises that accompanied Chinese assertions last year of territorial claims in the South China Sea and other nearby waters, Chinese media this year continued to highlight Chinese resolve to protect claims and take other actions in the face of perceived intrusions by others. Chinese officials and media highlighted in January China's growing ability to crack down on illegal fishing with a fleet of "2,287 fishery administration ships, among which 528 were built in the past five years." Thirty-six new ships were to be built in a program begun in 2011; 22 of which will be over 1,000 tons.

Chinese naval affairs specialists offering ways to defend Chinese maritime territorial claims were featured in Chinese media leading up to and during the annual meetings of China's National People's Congress and the advisory People's Political Consultative Conference in March. A former deputy chief of staff of the PLA Navy said China should establish a basic law of the sea to combat "the rampant infringement of maritime sovereignty." Earlier, a PLA Navy rear admiral was quoted in January as advising that China should counter the growing US involvement with Southeast Asian countries on territorial issues by using "drastic measures in the South China Sea to take over islands and reefs occupied by our neighboring small countries."

In March, the Chinese Foreign Ministry spokesperson used routine language in rebuffing complaints from the Philippines and Vietnam over the South China Sea. On March 8, the spokesperson reaffirmed China's "indisputable sovereignty over the South China Sea" following complaints by the Philippine president and other officials that Chinese boats harassed a Philippine oil exploration team in a contested area, and complaints from Vietnam about Chinese counter-piracy drills in disputed areas. In response to a question on March 24 about a foreign

survey of energy resources in the Reed Bank, a contested area involving the Philippines and China, the Chinese Foreign Ministry spokesperson warned that “Any activities by countries or companies to explore for oil or gas in the sea waters in China’s jurisdiction without the permission of the Chinese government will constitute a violation of China’s sovereignty and ...will be illegal and invalid.”

Philippines President Benigno Aquino appeared to show his administration’s greater resolve to protect territorial claims when he revealed on March 28 that the government would allocate \$184 million to upgrade navy and air force facilities near the disputed Spratly Islands and on South China Sea islands currently occupied by Philippines troops. The Philippines in April submitted a note to the UN Commission on the Limits of the Continental Shelf contesting Chinese and other claims to areas of the South China Sea claimed by the Manila government. China rebuffed the claim in a submission to the UN later in the month. Meanwhile, Taiwan reasserted its claim to the South China Sea and said it would replace the few hundred Taiwan Army personnel stationed on two of the Spratly Islands with more militarily capable marines.

Regional maneuvering, strengthening

The dispute with China over the South China Sea prompted hard-hitting media commentary in Manila targeting China, which highlighted the Philippines government efforts to gain a stronger position in dealing with China. It advised that the Aquino government was shifting from the more accommodating posture toward China of the previous government of President Gloria Macapagal-Arroyo to a more critical stance that emphasized the country’s longstanding alliance with the US. In addition to an increase in defense spending, the media coverage highlighted stronger US support following the first-ever strategic dialogue on Jan. 27-28 between the Philippines and the US, where Assistant Secretary of State Kurt Campbell pledged to enhance support for Philippines maritime surveillance capabilities and cooperation on regional and global issues. In March, President Aquino visited Indonesia and Singapore and used the meetings to deal with conflicts in the South China Sea. US Secretary of State Hillary Clinton also voiced strong support for the Philippines in a phone conversation with the Philippines foreign minister in March.

Writing in the Jamestown’s Foundation’s *China Brief* at the turn of the year, Ian Storey highlighted Vietnam’s continued multifaceted methods for dealing with disputes with China over the South China Sea. They involve: 1. dialogues with China to manage tensions and reassure Beijing of Hanoi’s objectives; 2. efforts to coax ASEAN to get China to implement the Declaration on the Code of Conduct in the South China Sea; 3. highlighting South China Sea issues in international conferences and meetings; 4. accelerating the Vietnamese arms buildup and military advances; 5. encouraging more international involvement in Vietnam and nearby areas, including military presence by outside powers, notably the United States.

Chinese strengthening included reporting in Chinese media on the reconstruction of the 67,500 ton *Varyag* aircraft carrier that China bought from the Ukraine in 1988. The *Xinhua* website in April showed pictures of the carrier, the first aircraft carrier for the Chinese Navy, with captions saying it was expected to sail in 2011.

Secretary of State Clinton targeted China in Southeast Asia during a congressional hearing in March, indicating that the US was in competition with China for influence among resources producing Asian-Pacific governments. Visiting Washington in March, Australian Prime Minister Julia Gillard seemed to align closely with the US in the region, and included remarks underlining a need to work with the US in dealing with the consequences of China's greater regional prominence. She advised "I think Australia and the US need to cooperate on all strategic challenges and what is happening in our region is largely being defined by the rise of China."

The ability of the US and ASEAN to remain engaged and resolute in dealing with the challenges posed by China's rise in the region was questioned from many sides. A leading Chinese intelligence expert averred in the journal *Liaowang* in February that the continuing crisis in the Middle East is sure to complicate and weaken the recent effort by the government of President Barack Obama to strengthen US standing in the Asia-Pacific. US Southeast Asian affairs expert Ernest Bower wrote in March that ASEAN opinion leaders are concerned that recent heightened US attention to the region could pass when leading advocates like Secretary Clinton and Assistant Secretary Campbell leave US government service. In February, *Yaleglobal* published an assessment by Geoff Wade that showed how the ever-strengthening web of Chinese trade, investment, aid, road, rail, river, pipeline, electric grid and other relations with neighboring continental Southeast Asian states serves to divide them from the maritime Southeast Asian states, making ASEAN weak and divided when dealing with China issues.

China-Myanmar relations

Jia Qinglin, one of the nine members of the Standing Committee of the Politburo of the Chinese Communist Party and the chairman of the Chinese People's Political Consultative Conference, traveled to Naypyitaw in April to congratulate Myanmar's newly elected President U Thein Sein. A *Xinhua* report of April 4 said that Jia "is the first foreign leader to visit Myanmar following the establishment of the new government." It quoted the Chinese leader affirming interest in pursuing "a series of important cooperation projects" in Myanmar. In an apparent allusion to Chinese interests in a stable frontier with Myanmar and in the fostering of good conditions for Chinese economic enterprises there, Jia expressed confidence that "Myanmar's new government will make utmost efforts to safeguard the peace and stability in the border area and create a stable environment for Myanmar's economic development."

Other developments

Vietnam-China. The completion in January of the 11th Congress of the Communist Party of Vietnam saw messages of support from Chinese leaders and media comment and remarks by Vietnamese representatives stressing close relations. Chinese media highlighted remarks by Vietnam's ambassador to China underlining the "special relationship" between the Chinese and Vietnamese Communist parties, and his optimism about resolving bilateral issues including disputes in the South China Sea. *China Daily* forecast "broad policy continuity" as a result of the decisions made at the Vietnamese congress, noting that closer economic ties with China, Vietnam's leading trading partner, would develop in coming years. It also reported remarks from a Vietnamese embassy representative in Beijing that the newly elected Vietnamese Communist

Party Secretary General Nguyen Phu Trong will visit China in 2011, marking the first visit of a Vietnamese party secretary general in three years.

Philippines-China-Taiwan. The decision by the Philippines government in February to deport 14 Taiwanese fraud suspects along with 10 Chinese criminal suspects to China prompted a strident reaction from Taiwan. The Foreign Ministry said that the deportation of the 24 suspects came at the request of the Chinese government despite Taiwan's protests involving the 14 people from Taiwan. The issue prompted threats of restrictions regarding the ability of Philippine people to work in Taiwan and other measures. The visit of former Philippine President Fidel Ramos to Taiwan in March helped to ease tensions over the incident. The Philippine government also replaced its immigration director in a move seen designed to assuage Taiwan. Meanwhile, China on March 23 executed three Philippine citizens convicted of drug trafficking. The execution came despite repeated pleas for clemency by the Philippine government.

Indonesian president on China. In a wide-ranging interview with *Asahi Shimbun* in February, Indonesian President Susilo Bambang Yudhoyono forecast Indonesia's dealing with China bilaterally and in its role as leader of ASEAN in 2011. He stressed the ever-growing economic cooperation with China and added that Indonesia would work to persuade China to join multilateral talks to resolve disputes in the South China Sea. He said that Indonesia as host of the EAS in November will ask the participants to engage in "political security dialogue, including regional cooperation over the South China Sea." The president also said that having Russia and the US participating in the EAS was a positive development so that all the "main players" in regional security issues are included.

Outlook

Regional officials and opinion leaders and others with an interest in China and Southeast Asia will be watching in the following months for signs of resolve in the policies and practices of Chinese, US and Southeast Asian leaders. Focal points of interest remain:

- Evidence of Chinese leaders pursuing an approach of moderation and reassurance or following a more assertive approach regarding regional concerns.
- Signs that the substance and implementation of the Obama government's widely touted reengagement with the Asia-Pacific will continue to meet expectations prompted by its rhetorical promise.
- Indications of the balance that Southeast Asian countries and ASEAN strike in maintaining cordial and mutually beneficial relations with China, while the regional leaders collaborate with one another, the US, and other outside powers in efforts to strengthen their positions as they deal with China's rising influence.

Chronology of China-Southeast Asia Relations January – April 2011

Jan. 9, 2011: Chen Zhili, vice chair of the Standing Committee of the National People's Congress (NPC), visits Bangkok and meets Chai Chidchob, speaker of the House of Representatives, and other senior parliamentary members of Thailand. The two sides agree to

increase parliamentary exchanges and visits to help strengthen bilateral relations, especially in such areas as investment, culture, tourism, and education.

Jan. 18, 2011: Alongkorn Ponlaboot, deputy commerce minister of Thailand, presides over the opening ceremony of the inaugural meeting of the ASEAN-China Business Forum convened in Bangkok. Senior Chinese and ASEAN member states officials attend the launch of the new forum that will help expand regional business, trade, and economic dialogue.

Jan. 22, 2011: Liu Jianchao, Chinese ambassador to the Philippines, says resolving territorial claims in the South China Sea will take time, patience, and that negotiations should be conducted with greater accommodation and understanding of all parties involved. He reiterates Beijing's opposition to any external intervention from such parties as the US in the South China Sea.

Jan. 24-25, 2011: Chinese Foreign Minister Yang Jiechi meets ASEAN Secretary General Surin Pitsuwan and other ASEAN foreign ministers in Mohan Port along the border between China and Laos to mark the opening of the newly completed highway that links Kunming to Bangkok.

Jan. 29, 2011: Wu Bangguo, vice chair of the National People's Congress, visits Jakarta and meets President Susilo Bambang Yudhoyono. They agree to deepen bilateral relations, particularly in such areas as energy security, technology, agriculture, fishing, and tourism.

Feb. 11, 2011: Beijing issues a statement calling for calm and restraint from Thailand and Cambodia to prevent an escalation of border tensions as it continues to maintain contact with officials in Bangkok and Phnom Penh to help resolve the conflict through consultation.

Feb. 17, 2011: Chinese Minister of Public Safety Meng Jianzhu visits Vientiane and meets President Choummaly Saysasone. They pledge to improve bilateral cooperation, especially in the areas of border security, drug and human trafficking, and other cross-border crime.

Feb. 17, 2011: China and Myanmar sign a new deal that paves the way for the development of the Kyaukphyu economic zone in Myanmar and other related port and railroad infrastructure projects. According to Chinese statistics, bilateral trade reached nearly \$4.5 billion in 2010.

Feb. 18, 2011: Defense Minister Liang Guanglie meets Indonesian Vice Minister of Defense Sjafrie Sjamsoedin in Beijing to discuss bilateral defense and security cooperation. They agree to step up military-to-military relations and to work to provide regional stability and security.

Feb. 21, 2011: Chinese Vice Minister of Commerce Fu Ziyang arrives in Phnom Penh and meets Prime Minister Hun Sen for the second round of the China-Cambodia Strategic Economic Dialogue. Fu announces that China will continue to encourage more Chinese entrepreneurs to invest in Cambodia, especially in the agricultural, mining, and manufacturing sectors.

Feb. 21, 2011: Senior Chinese and Malaysian officials meet in Kuala Lumpur to discuss the challenges of cross-border crimes. They agree to address problems such as telecommunication fraud, economic crimes on the high seas, human and drug trafficking, and money laundering.

March 3, 2011: Deputy Director of the Department of International Trade and Economic Affairs at the Ministry of Commerce Sun Yuanjiang attends a seminar on East Asia Free Trade Area in Hefei and announces that China work toward simplifying application procedures for preferential certificates of origin and customs clearance for both Chinese and ASEAN-based companies.

March 21-24, 2011: Deputy Chief of the General Staff of the People's Liberation Army (PLA) Ma Xiaotian visits Jakarta for the fourth round of the China-Indonesia Defense and Security Consultation. *The Jakarta Post* reports that China and Indonesia agree to begin joint arms production, beginning with C-907 missiles that are part of the weaponry for *Sukhoi* jet fighters.

March 30-31, 2011: The 17th annual ASEAN-China Senior Officials' Consultative Meeting is held in Hangzhou, China.

April 2-5, 2011: Jia Qinglin, chairperson of the National Committee of the Chinese People's Political Consultative Conference, arrives in Myanmar for a four-day visit and meets senior members of the new government in Naypyidaw. The two sides sign a number of cooperation pacts, particularly on the economic front.

April 13, 2011: Guo Boxiong, vice chairperson of the Central Military Commission (CMC), meets Vietnamese Defense Minister Phung Quang Thanh, in Beijing. They agree to strengthen the strategic partnership and enhance military-to-military cooperation.

April 23, 2011: Chinese Foreign Ministry issues a formal statement calling upon counterparts in Thailand and Cambodia to continue to stay calm and to resolve their differences on the border dispute through dialogue and consultation.

April 25, 2011: China and Laos celebrate 50 years of the establishment of diplomatic ties.

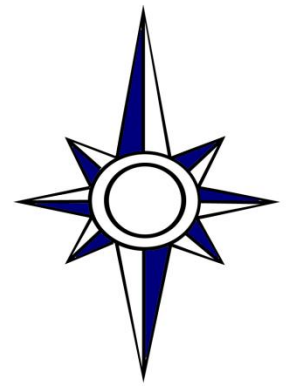
April 27-28, 2011: Premier Wen Jiabao visits Malaysia. Wen and Prime Minister Najib Razak agree to expand bilateral trade and strengthen cooperation in infrastructure, finance, scientific research and development, as well as in cultural and educational areas.

April 29, 2011: Vice Chairperson of the CMC Guo Boxiong, meets Thai Defense Minister Prawit Wongsuwan in Beijing to advance bilateral cooperation between the two armed forces.

April 28-30, 2011: Premier Wen Jiabao visits Jakarta and meets Indonesian officials to discuss ways to strengthen coordination and cooperation on regional and international security issues.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



China-Taiwan Relations: Steady as She Goes

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The Cross-Strait Economic Cooperation Committee held its first meeting in February, which represents an important step in implementing the Economic Cooperation Framework Agreement. Both Beijing and Taipei believe this year will see a steady consolidation of cross-strait relations, with only a few new agreements. The backdrops of this modest prospect are the leadership transitions underway on both sides of the Taiwan Strait. Evidence of PLA modernization confirms that military capabilities threatening Taiwan continue to increase, confronting Washington with difficult decisions on future arms sales to Taiwan.

Cross-strait negotiations

The establishment of the Cross-Strait Economic Cooperation Committee (CSECC) was announced in early January. Its mandate is to implement the 2010 Economic Cooperation Framework Agreement (ECFA) and to provide an overall forum for developing cross-strait economic ties. Formally, ECFA and the CSECC are creations of the quasi-official Straits Exchange Foundation and Association for Relations Across Taiwan (SEF-ARATS) negotiating forum. As such, SEF and ARATS officials are the nominal heads of the CSECC. While this political cover is particularly important to Beijing, in reality, the two CSECC delegations that met for the first time in Taiwan in late February were led by Beijing Ministry of Commerce Vice Minister Jiang Zhengwei and Taipei Ministry of Economic Affairs Vice Minister Francis Liang Kuo-hsin. Thus, the CSECC is the most senior forum for direct contact between officials from the two sides and represents a significant step forward in cross-strait cooperation.

At its first meeting, the CSECC established six working groups on merchandise trade, services trade, investment, dispute settlement, industry cooperation, and customs, each with delegations led by director general-level officials. The meeting also agreed to launch in mid-April three negotiations called for in the ECFA on merchandise trade, services trade, and dispute settlement. Although little information about these negotiations has been made public, some consultations on these issues have been held. There was also agreement to work for conclusion of investment protection and dispute settlement agreements at the next ARATS-SEF meeting. There were hints in the press that the past practice of two annual SEF-ARATS meetings would only be continued this year if the negotiation of new agreements justified holding meetings and that perhaps only one meeting would be held in 2011, in part because of the election campaign in Taiwan.

It has been clear for some time that the relatively easy cross-strait economic agreements have been concluded. Reaching agreements that affect the real interests of constituencies on both sides has been more difficult. The double taxation agreement expected in 2009 has been set aside.

Negotiating the financial sector Memorandums of Understanding in 2009 and the ECFA in 2010 both took longer than expected. The establishment of the CSECC and the launch of its sector negotiation have also been delayed. While success in reaching agreement is remarkable and most important, one should expect that progress to come slowly, particularly at a time of elections and leadership transitions. Recognizing this, both sides have modest expectations for 2011. In January, Taiwan Affairs Office (TAO) Minister Wang Yi looked forward to a year that would see “steady, orderly and sound” developments. In Taipei, government officials spoke of a year for “consolidating” recent progress.

The nuclear disaster at the Fukushima Daiichi plant following the Tohoku earthquake has created a new issue in cross-strait relations. As China has nuclear plants along its eastern coast north and south of the Taiwan Strait and as additional plants are being built and planned in that area, many in Taiwan, most importantly President Ma Ying-jeou, have called for the negotiation of a nuclear safety agreement. At first Beijing seemed to dismiss the issue saying channels for exchanging information on nuclear issues were already open. However, as concern mounted in Taiwan, the TAO indicated in mid-April that Beijing was open to discussion of such an agreement.

There has also been talk about a cultural agreement to supplement the many economic agreements. At a meeting in Guangzhou in January, TAO Minister Wang Yi said a cultural agreement should be considered. The following day, Mainland Affairs Council (MAC) Chairperson Lai Hsin-yuan was quoted in the press saying there was no need for such an agreement. The Ma administration’s fear that the opposition Democratic Progressive Party (DPP) would try to portray such an agreement as promoting Chinese culture at the expense of Taiwanese appears to be behind Taipei’s reluctance to take up a cultural agreement at this time.

Beijing and the Taiwan elections

Beijing has been following the run-up to the Taiwan legislative and presidential elections in January 2012 with some apprehension. Although some Chinese analysts believe that positive economic and cross-strait developments favor Ma’s re-election, there is widespread recognition that the Democratic Progressive Party (DPP) will likely improve its position in the Legislative Yuan (LY) and possibly win the presidency.

The visit of ARATS Chairman Chen Yunlin in February reflected awareness of the election. Chen took the occasion to make his first visit to southern Taiwan, the area of strongest DPP support, and used his meetings to highlight the benefits to southern Taiwan of mainland trade, tourism, and investment. In Kaohsiung, Chen talked of Beijing’s plans to authorize individual tourism and mentioned the possibility of China Ocean Shipping Co. (COSCO) investing in harbor facilities. Beijing is also reaching out to individuals in the DPP as Beijing think tank and research delegations have had increased contacts with DPP members and supporters. Indications are that some of their discussions have included how stable relations could be maintained should the DPP return to government. In January, the DPP magistrate of Yunlin County, Su Chih-fen, visited Shanghai to promote agricultural exports. Former DPP member and Kaohsiung County Magistrate Yang Chiu-hsing made a 10-day visit to China in March and was warmly received in Beijing. Kaohsiung Mayor Chen Chu said in April that she wished to join a city council delegation to China in the summer. Beijing has welcomed such visits.

In February, Tsai Ing-wen announced the reorganization of the DPP think tank, the New Frontier Foundation, in preparation for the coming elections. The foundation would have two research centers: one focusing on social and economic issues and the other on security and strategy, including “China policy.” Hsiao Bi-khim, who will lead the latter center, said that the center would prepare policy recommendations and also coordinate the increasing contacts of DPP members and supporters with people from China. Early in the year, the DPP was encouraged that some visiting delegations would come to its party headquarters. However, after the New Frontier Foundation was established and co-located with DPP headquarters, it appears that Chinese delegations have been advised not to visit the foundation or party headquarters.

Cross-strait issues in Taiwan campaign

Cross-strait issues will play a major role in the Taiwan presidential and legislative elections in January 2012. Last December, President Ma fired the opening shot by challenging then DPP Chairperson Tsai Ing-wen to accept the 1992 consensus. Predictably, Tsai rejected it. Ma’s New Year’s statement entitled “Building Taiwan, Invigorating Chinese heritage” touched on a theme that Ma has mentioned several times during 2011, the Republic of China (ROC) centennial year. In February, Ma instructed his government to use the term “the mainland” or “mainland China” rather than the more colloquial usage “China.” Ma sees the use of “mainland China” as consistent with the ROC constitution and the use of “China” alone as implying that China and Taiwan are separate countries. Beijing welcomed his statement. In March, the Ma administration announced plans to make study of the four Confucian classics a mandatory subject in the high school curriculum. Ma’s advocacy of Taiwan’s Chinese heritage contrasts clearly with DPP views on Taiwan identity.

This spring, several potential DPP presidential candidates offered their own formulas for cross-strait relations. Tsai Ing-wen said that Taipei and Beijing share responsibility for maintaining peace and that cross-strait relations should be based on “peace while tolerating differences; peace while seeking commonalities.” Former Vice President Annette Lu called for a “1996 consensus” based on the idea that Taiwan has been a fully sovereign state since its first direct presidential election in 1996. Former Premier Su Tseng-chang talked of a “Taiwan consensus,” which he said should be based on the DPP’s 1999 Resolution on Taiwan’s Future, a document that explicitly rejects “one China.” None of these proposals presented ideas that might bridge the gap between Beijing and DPP views and by doing so offer a possible basis for maintaining cross-strait talks should the DPP return to government. The one DPP figure who has presented such ideas is former DPP presidential candidate Hsieh Chang-ting, who suggested a formula of “respective interpretations of the constitution,” noting that the current ROC Constitution was based on the concept of one China. The proposal was widely criticized by DPP members and as Hsieh’s poll numbers were in the single digits, he chose not to join the DPP presidential primary.

In April, the DPP held four televised debates among its primary candidates: Tsai Ing-wen, Su Tseng-chang and Hsu Hsin-liang. The latter admitted that he had no chance of being nominated but wanted his voice heard. Neither Su nor Tsai provided a detailed exposition of what cross-strait policies they would pursue if elected. It appears that both concluded that discussing specifics would inevitably alienate either party fundamentalists or independent voters, both of

whose support was essential to defeating Ma. This rationale was buttressed in the final debate when all three candidates said that the first concern must be to maintain party unity in the campaign. In April, Tsai was chosen as the DPP standard bearer. Whether Tsai will be more explicit in her campaign platform remains to be seen.

Beijing of course followed the DPP debates closely. The TAO repeated time and again this spring that the current progress in cross-strait relations has been based on two premises: the 1992 consensus concerning “one China” and opposition to Taiwan independence. When asked for comments on statements by Chairperson Tsai and other DPP figures, the TAO spokesman said on April 13 that persisting in a separatist agenda and a “one country on each side” approach would create obstacles for maintaining stability, make it difficult to continue cross-strait dialogue, and harm the peaceful development of relations. In case this low-key message was missed, the spokesman repeated it two weeks later after Tsai was nominated saying that adopting a “one country on each side Taiwan independence separatist position, no matter how cleverly packaged” would have such consequences.

China’s Taiwan policy

By the time of the National People’s Congress (NPC) annual meeting in March, the political jockeying in preparation for the 18th Party Congress in the fall of 2012 was also well underway. Premier Wen Jiabao’s NPC work report was a predictable reiteration of Hu Jintao’s cross-strait policy. Although there have been hints of leadership differences on issues such as economic development, inflation, foreign policy, and political reform, there have been no visible signs of leadership differences over Taiwan policy.

Nevertheless, observers in Taiwan are nervous about the implications of the leadership transition. Observers note that there will be large-scale changes in the State Council, the party Politburo and the Central Military Commission (CMC), the key institutions affecting Taiwan. While Xi Jinping, the likely new party general secretary, was associated with the economic aspects of cross-strait policy while serving in Fujian, his overall views on cross-strait issues are not known. Nor are the views of most of the others likely to emerge in these key institutions. Will the fifth generation leaders be as patient? How would new leaders react should the DPP return to government? What will be the attitudes of the new military members of the CMC, at a time when the PLA is becoming more assertive? Such unknowns naturally create anxiety, despite the clear impression that Hu Jintao will likely continue to exercise a strong influence over cross-strait policy even for a period after the formal transfer of leadership to the fifth generation.

Security issues

Progress in PLA modernization continues to increase Chinese military capabilities that are seen as threatening in Taiwan. In January, on the eve of US Secretary of Defense Robert Gates’ visit to Beijing, Chinese media published photos of the *J-20*, China’s first stealth fighter, preparing for a test flight. In March, Taipei’s National Security Bureau director informed the LY of the initial deployment of the PLA’s *DF-16* missile. US defense experts have reported that the PLA’s Second Artillery Corp is expanding bases opposite Taiwan. In April, Chinese media carried pictures of China’s first aircraft carrier and the *J-15 flying shark* aircraft destined in the future to

fly from the carrier. The press reported speculation that the carrier would be named “*Shi Lang*” after a Qing Dynasty admiral, who conquered Ming loyalists and reunited Taiwan with the mainland in the 17th century. While not exclusively focused on cross-strait contingencies all this information was seen by those concerned as increasing Taiwan’s military vulnerability.

At the National People’s Congress (NPC) in March, Beijing announced a 12.6 percent increase in China’s published 2011 defense budget to \$91.4 billion. Fifteen years ago, the defense budgets of Taiwan and China were about equal; in 2011, Beijing’s published defense budget is more than nine times larger than Taiwan’s and growing faster. Beijing’s 2010 *Defense White Paper* published this spring notes that “significant and positive progress” has been made in promoting the “peaceful development” of cross-strait relations and notes that the international community has welcomed the many constructive developments. This picture contrast sharply with the PLA’s continual development of military capabilities threatening the regime with which Beijing wishes to build mutual trust. The most noteworthy statement in the *Defense White Paper* was, “The two sides can hold contacts and exchanges on military issues at an appropriate time and talk about a military security mechanism of mutual trust, in a bid to act together to adopt measures to further stabilize cross-strait relations and ease concerns about military security.” However, Taipei is not ready for such talks at this time given the anticipated impact the initiation of military dialogue might affect the election campaign. The MAC urged China to first remove its missiles targeting Taiwan.

Continuing evidence of the increasing military threat to Taiwan confronts Washington with difficult decisions on arms sales. No arms sales have been notified to Congress yet this year. Washington is considering a request from Taipei to upgrade its existing *F-16 A/B* aircraft and a separate request to purchase 66 *F-16 C/D* aircraft. Press reports indicate that the administration has delayed providing Taipei with price and availability (P&A) data on the upgrade project. The administration seems to be weighing how to move ahead with arms sales while minimizing damage to US-China military-to-military talks, which are an administration priority. However, treating the P&A data in this way has converted what should be a routine administrative step into an important political decision, and in the process appears to give Beijing additional leverage over US arms sales decisions. Other reports allege that the administration has also delayed the transmission to Congress of a classified report on Taiwan’s air defense reportedly because it makes the military case for the sale of *F-16 C/D* aircraft. At a congressional hearing in March US Pacific Command Commander Adm. Robert Willard stated that Taiwan would need to make additional investments (meaning arms acquisitions) if it wished to maintain a credible air deterrent into the future.

During military exchanges with Beijing, Washington often makes the point that as its arms sales are based on Taiwan security requirements, changes in the PLA threat to Taiwan would have an influence on Washington’s decisions. At the press roundtable at the end of his trip to Beijing in January, Secretary Gates commented that if the relationship between the China and Taiwan continued to improve and the security environment for Taiwan changed, then perhaps that would create the conditions for reexamining arms sales. Unfortunately, such remarks have not led to any change in Chinese policy.

International issues

The de facto diplomatic truce is holding; no new issues have arisen to sour the atmosphere in the international arena. In January, Taipei became a member of the Civil Air Navigation Services Organization (CANSO), an international nongovernmental organization affiliated with the International Civil Aviation Organization (ICAO). Taipei is represented in CANSO by the Air Navigation and Weather Services, a unit of its Civil Aviation Administration. Taipei views its membership as a step toward meaningful participation in ICAO. Beijing does not have a member organization in CANSO. In March, Taipei's Financial Supervisory Commission (FSC) became a member of the International Organization of Securities Commissions (IOSCO). In April, Taipei announced that it had again received an invitation to send observers to the World Health Assembly meeting. Such modest positive steps in the international area are a by-product of the Ma administration's cross-strait policies.

Economic issues

Cross-strait trade recovered in 2010 from the global recession. According to Taipei's statistics, total cross-strait trade reached \$152 billion in 2010 easily surpassing the previous annual high set in 2008. Taipei's exports to China including Hong Kong were \$114.7 billion and its imports from China were \$37.5 billion. Exports to China represented 41.8 percent of Taiwan's global exports. The Ministry of Economic Affairs has reported that Taiwan's share of China's imports increased in the January-February 2011, the first two months following the implementation of ECFA's early harvest provisions, reversing what had been a gradual decline in Taiwan's share of China's imports in recent years. Statistics from Beijing's Ministry of Commerce indicate that cross-strait trade has continued to expand rapidly during the first three months 2011.

Taiwan's negotiations with Singapore on a free trade agreement (FTA)-like agreement were set to start in February. Although no information has been released, and none is expected until agreement is reached, negotiations are underway. In March, New Delhi announced that designated Indian and Taiwan research institutes would conduct a feasibility study on a bilateral FTA agreement. This move was significant because India is the first major power without an FTA with China to show a willingness to consider such an agreement with Taiwan.

Looking ahead

The cross-strait negotiating agenda for the coming months will focus primarily on the work of the CSECC and preparations for the 7th ARATS-SEF meeting. It is likely that some progress will be made in these forums because further concrete accomplishments would be in both parties' interest before the coming Taiwan elections. Whether Beijing will take other steps with respect to Taiwan's international space or place in regional trade liberalization remains to be seen. It seems quite unlikely that Beijing will take steps to ease the military threat to Taiwan in circumstances in which the DPP may return to government, the PLA is becoming more assertive and a leadership transition is underway in Beijing. For their part, Tsai Ing-wen and the DPP are working on a campaign platform, which may include some specifics about cross-strait policy should the DPP return to power. Washington will continue to consider pending arms sales.

Chronology of China-Taiwan Relations

January – April 2011

Jan. 1, 2011: Hu Jintao's New Year address calls for holding fast to "peaceful development and one country two systems."

Jan. 1, 2011: President Ma Ying-jeou's New Year message calls for "Building up Taiwan, Invigorating Chinese Heritage."

Jan. 1, 2011: Taipei ceremony launches the Republic of China (ROC) 100th anniversary year.

Jan. 3, 2011: Photo of China's *J-20* stealth fighter at Chengdu airbase is published.

Jan. 4, 2011: Taiwan Ministry of Education (MOE) says People's Republic of China (PRC) educational degrees are now recognized by Taiwan.

Jan. 6, 2011: Cross-strait Economic Cooperation Committee (CSECC) is established.

Jan. 10, 2011: Defense Minister Liang Guanglie tells US Secretary of Defense Robert Gates that US arms sales to Taiwan would jeopardize US-China military ties.

Jan. 10, 2011: Frank Hsieh proposes "respective interpretations of the constitution" as a formulation for characterizing cross-strait relations.

Jan. 11, 2011: Secretary Gates holds a press roundtable in Beijing.

Jan. 13, 2011: Association for Relations Across the Taiwan Straits (ARATS) Chairman Chen Yunlin reiterates that the 1992 consensus and opposition to independence are premises for cross-strait relations.

Jan. 13, 2011: Taiwan Affairs Office (TAO) spokesman says that the Democratic Progressive Party (DPP) needs to address reality of the 1992 consensus.

Jan. 14, 2011: Taipei becomes a member of the Civil Air Navigation and Services Organization (CANSO).

Jan. 18, 2011: TAO Minister Wang Yi says a cross-strait cultural pact should be considered.

Jan. 19, 2011: Mainland Affairs Council (MAC) Chair Lai Shin-yuan says there is no need for cross-strait cultural agreement.

Jan. 20 2011: During his visit to the US, President Hu Jintao reiterates that Taiwan and Tibet are China's "core interests."

Jan. 25, 2011: President Ma tells visiting American Institute in Taiwan (AIT) Chairman Ray Burghardt that *F-16s* are needed to support cross-strait talks.

Jan. 26, 2011: Legislative Yuan (LY) Speaker Wang Jin-pyng raises *F-16* sale with US House of Representatives Speaker John Boehner.

Jan. 28, 2011: Democratic Progressive Party (DPP) Yunlin County Magistrate Su Chih-fen visits China.

Feb. 2, 2011: Taipei protests Manila's deportation of 14 ROC citizens to China.

Feb. 7, 2011: President Ma says the government will use "Mainland" or "Mainland China" and not "China" when referring to the PRC.

Feb. 8, 2011: Gen. Lo Hsien-che is arrested for espionage.

Feb. 10, 2011: MAC Chair Lai calls for a review of joint crime fighting agreement.

Feb. 16, 2011: Candidate Su Tseng-chang proposes a "Taiwan consensus" based on the DPP's 1999 Resolution on Taiwan's Future.

Feb. 22, 2011: First Cross-Strait Economic Cooperation Committee (CSECC) convenes in Taoyuan.

Feb. 23, 2011: Chair Tsai Ing-wen opens DPP's New Frontier Foundation think tank.

Feb. 24, 2011: ARATS President Chen Yunlin visits Kaohsiung.

Feb. 24, 2011: Taipei approves an expanded list of sectors open to PRC investment.

Feb. 25, 2011: Beijing agrees to family visits to Manila deportees.

Feb. 28, 2011: Beijing Public Security officials pledge cooperation on deportee case.

March 1, 2011: Taipei announces that Confucian classics will again be required in high school curriculum.

March 1, 2011: Premier Wu Den-yih says that Straits Exchange Foundation (SEF) and ARATS are consulting about opening liaison offices.

March 4, 2011: Beijing announces 12.7 percent increase in 2011 the PRC defense budget.

March 5, 2011: Premier Wen Jiabao delivers government Work Report to National People's Congress (NPC).

March 7, 2011: Kuomintang (KMT) Legislator Chang Hsien-yao questions the adequacy of Taiwan's defense budget.

March 7, 2011: At NPC, Foreign Minister Yang Jiechi reiterates opposition to US arms sales to Taiwan.

March 7, 2011: New Delhi and Taipei agree to jointly fund a Free Trade Agreement (FTA) feasibility study.

March 8, 2011: Taipei eases restrictions on Liquid Crystal Display (LCD) investments in PRC.

March 9, 2011: Secretary of State Hillary Clinton expresses hope Trans-Pacific Partnership (TPP) will eventually include all of APEC.

March 15, 2011: Taiwan's Financial Supervisory Commission (FSC) becomes a member of International Organization of Securities Commissions (IOSCO).

March 16, 2011: National Security Bureau (NSB) Director General Tsai De-sheng confirms deployment of China's new *DF-16* ballistic missile.

March 17, 2011: MAC announces that it is considering a nuclear safety agreement with Mainland China.

March 18, 2011: Mainland repatriates fugitive Sung Nai-ju, former Ministry of Transportation and Communication (MOTC) chief secretary.

March 21, 2011: Former Kaohsiung Magistrate Yang Chiu-hsing visits Beijing.

March 24, 2011: President Ma calls for cross-strait nuclear safety cooperation.

March 28, 2011: Wu Poh-hsiung says KMT will not commemorate ROC's centennial in China.

March 29, 2011: President Ma calls for the sale of *F-16C/Ds* in meeting with former Deputy Secretary of State Richard Armitage.

March 30, 2011: Press reports that Mainland Chinese delegations are avoiding contact with DPP's New Frontier Foundation.

March 31, 2011: Beijing releases its 2010 Defense White Paper.

March 31, 2011: President Ma receives Singapore Minister Mentor Lee Kuan Yew.

April 6, 2011: *People's Daily* website publishes a story on China's first aircraft carrier.

April 7, 2011: DPP's Hsu Hsin-liang floats the idea of "One China ala EU."

April 10, 2011: TAO official Liu Jianzhong visits Kaohsiung.

April 13, 2011: TAO spokesman comments on DPP policy and says nuclear safety agreement can be discussed.

April 15, 2011: Hu Jintao briefly greets Taiwan's delegation to Boao Forum.

April 25, 2011: Beijing and Taipei bank regulators meet in Taipei.

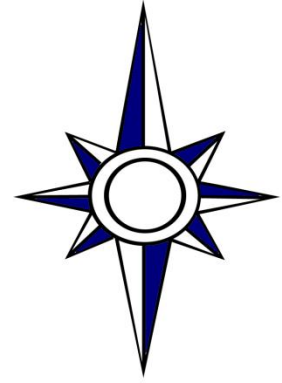
April 25, 2011: Beijing official media carry first photos of new *J-15 flying shark* fighter.

April 27, 2011: Tsai wins DPP presidential primary; KMT nominates Ma for re-election.

April 29, 2011: Minister of Economic Affairs (MOEA) Minister Shih Yen-shiang states Taipei's desire to join TPP.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



South Korea-North Korea Relations: Not Getting Better

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The first four months of 2011 saw no real improvement in relations between the two Koreas. Their sole official contact, military talks in February, broke up in acrimony after two days. A slight easing of South Korea's aid restrictions in April was in response to dire humanitarian need in the North, and probably does not indicate a wider thaw. As often there was the odd hint of back-channel talks, even about a possible summit – but no suggestion of progress. The obstacles are familiar. Pyongyang's peace offensive as the year began, with a barrage of offers of seemingly unconditional talks, did not impress Seoul as it failed to deal with what remain two huge stumbling-blocks: the sinking of the corvette *Cheonan* on March, 26, 2010, and the shelling of Yeonpyeong Island on Nov. 23. The North continues to deny all responsibility for the former, and to insist it was provoked into the latter. In a democracy, and having taken much flak over both incidents, there is no way that ROK President Lee Myung-bak could afford to let either matter go – even if he was so minded, which he manifestly is not. It may be no easier for Kim Jong Il to back down either, in the midst of crafting a delicate succession for his untried third son Kim Jong Un. This appears a recipe for stalemate, perhaps for the rest of Lee's presidency, which ends in February 2013 – although in Korea surprises are always possible.

More provocations?

If a single assault could conceivably have been a rogue one-off act, a second one suggests a campaign. Besides the difficulty of settling accounts with the recent past, last year's twin attacks have heightened Southern vigilance against further provocations. Explicit and repeated Northern threats to shoot at the Imjingak pavilion in the Western sector of the Demilitarized Zone (DMZ), from which defector activists and their supporters regularly launch balloons carrying anti-Kim propaganda, radios, and so on into the North, cannot now be dismissed as bombast. Hopefully the North is sufficiently attuned to Southern political niceties to realize that any further act of aggression would be third time unlucky; it would be bound to bring military retaliation since President Lee cannot afford to look weak again. Such reaction could easily escalate, with unpredictable or unthinkable consequences.

While perverse and reprehensible, Pyongyang's provocations tend to be carefully calculated and calibrated. One must hope the Kims now reckon they have made whatever point they were striving for, and that Kim Jong Un's succession will not require further acts of bravado. Or perhaps the North has simply switched tactics. In March, and again in April, South Korea experienced serious cyber-attacks. Southern investigators have fingered North Korea in both cases, as well as for jamming GPS signals during US-ROK military exercises. Though it is all but impossible to trace responsibility definitively in such cases, North Korea is known to have

been building up its cyber-warfare capabilities. Their deniability makes sneak attacks of this sort much less risky for the perpetrator, and perhaps no less destructive in their way, than old-fashioned overt acts of aggression such as sinking a ship or shelling an island. If the North is indeed behind the cyber-attacks on South Korea, this hardly suggests any serious will for peace or dialogue – other than on the only terms Pyongyang seems able to project, where the subtext is: you'd really better talk to us, or else you'll regret it.

Ambiguous talk of peace

2011 began with both Korean states making noises about peace, but in ways that hardly suggested they meant it. North Korea's usual joint New Year editorial of three major daily newspapers – those of the party (*Rodong Sinmun*), military (*Joson Inmingun*), and youth organization (*Chongnyon Jonwi*) – included some encouraging sentiments, “Confrontation between north and south should be defused as early as possible ... Dialogue and cooperation should be promoted proactively. Active efforts should be made to create an atmosphere of dialogue and cooperation between north and south by placing the common interests of the nation above anything else. Free travel of and exchanges between people from all walks of life should be ensured and cooperation projects encouraged, to contribute to improving inter-Korean relations and to achieving reunification.”

Yet the adjacent paragraphs exhibited a tone and content sharply at odds with this: “Last year the south Korean conservative authorities revealed their true colours as the minion of war and anti-reunification, confrontation maniac. In collaboration with the outside forces they incessantly hatched anti-DPRK plots and perpetrated north-targeted war moves ... The entire nation should never tolerate the criminal moves of pro-US war hawks who stake their fate on foreign forces and drive the situation to the brink of war in collusion with them.”

Seoul showed a similar inconsistency, if in less colorful language. In his New Year address on Jan. 3, President Lee said, “I remind the North that the path toward peace is yet open. The door for dialogue is still open.” Yet, he at once added a condition: “Nuclear weapons and military adventurism must be discarded.” Opposing adventurism is unexceptionable. Obviously, South Korea has every right to insist on no more attacks by the North, like the two it experienced last year. But denuclearization? That can only be the end-point of a very long road, wearily trodden for the past 20 years. To posit it as a precondition for talks seems wholly unrealistic. Yet this has been Lee's constant refrain since he took office in 2008.

Lee continued, “From now on, we need ... peace and reunification policies based on solid national security ... [and to] make endeavours to engage our North Korean brethren in the long journey toward freedom and prosperity.” Whom was he addressing here? Surely these “brethren” are not the DPRK government but the North Korean people. This suggests that Lee has given up on Kim Jong Il, and in effect is awaiting – or fomenting? – regime change.

Similarly, as noted our last report, on Dec. 9 Lee had been in messianic mode. Saying “I feel that reunification is drawing near,” he added that Seoul has a responsibility to achieve reunification as soon as possible, so that 23 million North Korean people may live with the right to happiness. This message will not be lost on Pyongyang, but one wonders what Seoul seeks to achieve with

such talk. If the Kim regime reads this as confirming that Lee Myung-bak wants them gone, and that he has no serious will to engage them on any terms they could accept, they may conclude that they have little to lose from continuing to harry him. Having given Lee two nasty bites last year and got away with it, why not do it again?

Yet as so often, the North abruptly changed tack. On Jan. 5 a joint meeting of the DPRK government, political parties and organizations – these were not further specified – declared that “We are ready to meet anyone, anytime, and anywhere ... We propose discontinuing to heap slanders and calumnies on each other and refraining from any act of provoking each other... We courteously propose having wide-ranging dialogue and negotiations with the political parties and organisations of south Korea, including its authorities.”

Sweet words, but Seoul smelled a rat. Putting matters thus posits the ROK government as just one interlocutor among many; a longstanding trope in the North’s tactics to delegitimize South Korea. Even though a few sentences later the North called for “an unconditional and early opening of talks between the authorities having real power and responsibility, in particular,” one can understand the South’s tepid response. Vice Unification Minister Um Jong-sik commented, “In both format and content, I believe it is difficult to see [the DPRK statement] as a formal proposal for talks.” He called instead for a “respectful attitude ... For dialogue to take place, it must be guaranteed that it can be constructive and beneficial.”

Military talks break down

“Guaranteed” is asking a lot. But it is right to demand that the North stop playing games and approach the South properly, government to government. This it finally did on Jan. 20. In a telegram to the recently appointed ROK Defense Minister Kim Kwan-jin, his DPRK counterpart Kim Yong-chun proposed military talks to exchange views on both the *Cheonan* and Yeonpyeong incidents, and discuss reducing tensions on the peninsula more generally. By then Seoul was at risk of appearing the obstinate one if it kept turning down Pyongyang’s advances. This one finally passed muster; the South accepted with rare alacrity the same day.

Colonel-level talks were duly held at Panmunjom on Feb. 8-9. The two interlocutors – Ri Son Kwon for the Korean People’s Army (KPA) and Moon Sang-gyun for the ROK – know each other well from previous encounters. This meeting was intended to prepare the ground for higher-level military talks later, perhaps between generals or even ministers of defense. It began promisingly, lasting for nine hours on the first day, which suggests a real effort to resolve problems. But on the second day they met for only an hour before lunch – and just 12 minutes thereafter, before the North stormed out. Vitriolic denunciations of the South for insincerity and treachery swiftly followed in the Pyongyang media.

It was always going to be very difficult to find an agreed formula to discuss, or get past, the *Cheonan* and Yeonpyeong incidents. Carefully parsing Pyongyang’s plethora of seemingly no-strings offers of dialogue, Seoul had decided that both the forum itself and the terms used by the North in suggesting military talks offered some hope of progress. But it was not to be. Specific sticking points, it appears, included niceties of language in specifying the agenda, as well as disagreement about the date and appropriate rank for the higher-level talks to follow.

Three months later there has been no effort to resurrect military talks. In collateral damage, so to say, their failure also put paid to hopes of fresh Red Cross dialogue to arrange a further round of family reunions. Elderly Koreans on both sides of the DMZ will thus continue to die without ever seeing again relatives from whom they have been separated for almost 60 years.

A boat people saga: most go home, finally

Three days before the military talks, a separate saga began which in the end would prove more prolonged, just as fraught, but ultimately soluble up to a point. On Feb. 5 a very small fishing boat with 31 North Koreans aboard – 20 of them women, oddly – appeared out of the fog near Yeonpyeong – the Southern island near the Northern coast shelled last November. It seems they drifted across the sea border due to engine trouble. That is not rare, and normally the South, unlike the North, swiftly repatriates such people. This time it delayed, citing the need to question them all. The Seoul press reckoned that the real reason was to play hardball.

On Feb. 27, South Korea said the group would be sent home in a few days – only to add on March 3 that four now wished to defect. A predictably furious North demanded that all 31 be returned. On March 4, the other 27 were brought to Panmunjom, but the North refused to take them. Pyongyang then proposed Red Cross talks, with the would-be defectors and their Northern relatives also on hand. The South agreed to talks, but without such family presence and pressure; the North rejected this. On March 15, the North finally agreed to accept just the 27, but by sea rather than land. This and bad weather caused further delay; even with a new engine, their decrepit 5-ton boat was not seaworthy. Finally on March 27, the 27 in their boat were handed over at the Northern Limit Line (NLL), the contentious maritime border. North Korea continues to demand that the other four be returned too, claiming they are captives.

Cyber-war?

A sense of relief that as of early May North Korea has not so far carried out further attacks on the South, like its twin assaults last year, may be premature – or at any rate needs to be qualified. In March and April, South Korea suffered two separate cyber-assaults, and it is blaming them both on the North. The first resembled an earlier attack in July 2009, when a distributed denial of service (DDoS) attack paralyzed 21 websites in South Korea (both state and private) as well as 14 elsewhere, including in the US. Some 115,000 computers in South Korea were affected then, with 396 hard drives destroyed. The National Intelligence Service (NIS) later claimed to have traced this to the DPRK Ministry of Posts and Telecommunications (MPT), and said that 435 servers in 61 different countries were used to spread the virus.

During March 3-5, a fresh DDoS attack hit some 40 websites in South Korea, again a mix of public and private. Those targeted included the NIS, the Blue House (presidential office) and Ministry of National Defense (MND), US forces in Korea (USFK), major banks such as Kookmin, Woori, and Shinhan, and two leading internet portals, Naver and Daum. This was technically similar to the 2009 episode, but more sophisticated. Three different viruses were spread this time, affecting all *Windows* operating systems rather than just three as in 2009. The file composition changed with each attack, and user attempts to access anti-virus sites were

blocked. Although 746 servers in 70 countries were used, less damage was done this time because lessons had been learned from 2009 and defenses were installed: still, over 100,000 computers were affected and 219 hard drives destroyed. On April 6, the ROK National Police Agency (NPA)'s Cyber Terror Response Center said that this latest attack had been traced to the same internet protocol (IP) addresses in China that were used in July 2009.

Six days later on April 12, the National Agricultural Cooperative Federation (Nonghyup), a major bank, had its computer systems crippled. Holders of 30 million accounts were unable to access them for several days, with some transaction data irretrievably lost. At first this was seen as a technical failure or an inside job by a disgruntled employee. But on May 3, prosecutors again blamed North Korea, saying this too was a cyber-attack – of a new kind. The claim is that a notebook computer owned by a worker at the firm managing Nonghyup's servers was infected with malicious code by North Korea's General Reconnaissance Bureau in September 2010. Once the code was remotely activated, the program wiped out Nonghyup's operating system, and did in fact knock out 273 of the bank's 587 servers in three attacks. It has since been discovered that a further 200 South Korean computers are similarly infected.

There could well be more such 'zombie' computers as yet unknown, raising alarm that the North could strike anywhere, any time. The Seoul press voiced fears that subway systems, ports and airports, or the power grid (including nuclear facilities) could be targeted. South Korea has demanded that the North cease such attacks. There is talk of referring all three incidents to the UN, but it will be difficult to adduce conclusive proof of responsibility. Not everyone is convinced even locally that North Korea was behind the Nonghyup attack.

Jam, too

Separately, Seoul claims that on March 4 Pyongyang jammed its global positioning system (GPS) signals during the *Key Resolve* joint military exercises with the US near the western end of the DMZ. On March 8, the Foreign Ministry (MOFAT) threatened to report the DPRK to the International Telecommunication Union (ITU), which bans interference with another country's transmissions. A day later ROK Defense Minister Kim Kwan-jin told the National Assembly that the jamming came from not only Kaesong and Haeju in the west, but also Mt. Kumgang in the east of the peninsula. In the first US confirmation of this, on April 6 Gen. Walter Sharp, commander of USFK, told the House Armed Services Committee, "We have seen North Korea use GPS jammers." South Korea first detected such interference in 2010.

China has a plan

Not infrequently, especially around Korea, diplomatic movements break the bilateral bounds which are *Comparative Connections*' chief remit and organizing principle. Such is the case currently on the nuclear issue. China has a plan, which involves a complex quadrille between four parties in two pairs and three stages. Our last issue accused Beijing of pulling a dead rabbit out of a hat, when it feebly called for an emergency session of the long-stalled Six-Party Talks (6PT) in response to sharp inter-Korean tensions after the Yeonpyeong shelling.

Maybe China took this critique to heart for this time they have conjured up something more subtle, even ingenious. Not a dead rabbit, but a bird that might just fly. Wu Dawei, China's point man on Korea, shuttled busily between Pyongyang, Seoul, and elsewhere this spring. What he has come up with is a phased process that could offer something for everyone.

Phase one would be nuclear talks between the two Koreas. That is something the South has long demanded, but the North has steadfastly refused; insisting that matters nuclear are not fit to be discussed with the puppets in Seoul but only with Washington, or at a pinch in the 6PT. This was not always Pyongyang's stance. In January 1992, in what turned out to be a false dawn of inter-Korean reconciliation, the two Koreas signed a Joint Declaration of the Denuclearization of the Korean Peninsula (available at <http://www.nti.org/db/china/engdocs/snkdenuc.htm> .) In May 2003, amid a fresh nuclear crisis, the DPRK stated that this agreement "has been nullified" – and blamed the US. (Pyongyang's habit of abrogating accords at whim, seen most recently with Hyundai, cannot but raise the question of its sincerity, or what value can really be put on any accord it purports to sign.)

Seoul would love to talk nukes with Pyongyang, even though the immediate threat it faces is from the KPA's torpedoes and artillery. But does it want this enough to swallow its demand for admissions and apologies for the *Cheonan* and Yeonpyeong before anything else? There is said to be debate about this within the Lee administration, with hardliners unwilling to let anything go forward absent an apology which will never come. Such a stance risks looking obstructionist, given the wider need to kickstart the 6PT. On April 16, US Secretary of State Hillary Clinton and ROK Foreign Minister Kim Sung-hwan reiterated two key points. Inter-Korean talks must precede resumption of 6PT, and the North must show real sincerity for denuclearization (One wonders what could count as proof of the latter.).

With rare optimism, on April 18 the usually skeptical and hard-line conservative Seoul daily *Chosun Ilbo* ran the headline "1st inter-Korean nuclear meeting 'likely.'" Based as so often on an anonymous official leak, this predicted:

N. Korea may accept a call for a meeting between the two Koreas' chief negotiators to the 6-party talks as early as this week, according to a senior government official. ROK official: The North "can't drag its feet indefinitely" after Wu Dawei proposed a 3-stage process to revive 6-party talks after a meeting with N. Korean chief negotiator Kim Kye-gwan.

Somebody jumped the gun here, for almost a month later there was no sign of such progress. Perhaps inter-Korean nuclear talks remain anathema to the North, whose capacity for foot-dragging should never be underestimated. To sweeten that pill, Wu Dawei offers a reward: his Phase Two is direct talks between Pyongyang and Washington, always Kim Jong Il's favored forum. The third phase would be the full 6PT, creaking back to life after over two years in abeyance and nearly eight years since this interminable process first got under way.

Many questions obviously arise: above all the willingness of all concerned (especially North Korea) to accept this – sincerely, as opposed to just playing along. The division of labor between the three phases will also need specifying. But anything is worth a try. We shall see.

What trade ban?

If the political and security relationship between the two Koreas is almost unrelieved gloom currently, economic ties by contrast show light as well as shade. President Lee's supposed ban on inter-Korean trade, imposed a year ago (May 2010) as a reprisal for the *Cheonan*, has one very large exception – which makes a nonsense of it. The Kaesong Industrial Complex (KIC), the last North-South joint venture (JV), was exempted. Last year, this accounted for three-quarters of all North-South trade, to the tune of \$1.44 billion. As a result, total inter-Korean trade rose by 14 percent over 2009, reaching a record \$1.91 billion. Some ban.

These figures were compiled by the Korea International Trade Association (KITA), which represents ROK exporters. What interests KITA is competition with China, which is forging ahead. Sino-DPRK trade last year jumped 32 percent to \$3.46 billion: almost twice the ROK-DPRK total. Under the former “sunshine” policy South Korea was catching up; it had become the North's top export market, a little publicized fact. By 2007, total inter-Korean trade reached 91 percent of that with China; it would surely have overtaken it if that year's North-South summit accord, with its ambitious plans for expanded North-South economic cooperation, had been implemented. Instead President Lee backtracked on the summit agreement, insisting that Pyongyang denuclearize first. History will judge whether that was wise, but at all events, under Lee the ratio of inter-Korean to Sino-DPRK trade has fallen each year; to 65 percent in 2008, 64 percent in 2009 and 55 percent in 2010. KITA warned that the gap will widen further unless tension between the South and North is swiftly eased since economic cooperation between Pyongyang and Beijing is growing fast.

As reported, KITA rather oddly gave no breakdown into exports and imports. Those data can be found month by month at WTS, a Kyoto-based firm that tracks North Korea's trade (see <http://www.stat-trade.com/blog/stat/post/> ; the table is clearer if pasted into Word.) Against expectations that Seoul's trade ban would show up in the second half of 2010, in fact the dip was quite slight. ROK exports to the DPRK in July-December at \$427 million were hardly less than in January-June (\$439 million). In the other direction, Seoul's imports from Pyongyang fell slightly more, but not hugely, from \$553 million to \$491 million. More striking is the acceleration in Sino-DPRK trade as the year progressed, especially North Korean exports, which almost tripled from \$341 million in the first half to \$840 million in the second. Some of this trade may have been redirected away from South Korea, or be opportunity lost.

Non-KIC investors are tanking

These aggregate figures hide important contrasts. For South Korean small- and medium-size enterprises (SMEs) in the KIC, last year's tensions were annoying but not fatal – though they remain anxious. But the few bolder ROK firms who invested elsewhere in the North, such as Nampo or Pyongyang, face a bleak future thanks to Seoul's trade ban, which for them is real and devastating. The head of one such company, Kim Jung-tae of Pyongyang Andong Hemp Textiles – the first 50-50 inter-Korean joint venture, long in preparation but launched only in October 2008 – said on March 6 that hundreds of Southern firms who did business in North Korea are close to bankruptcy. The far smaller number that have invested in the North – to the tune of \$180 million in total – have posted operating losses of \$150 million so far. MOU, the ROK

Unification Ministry, tallies no fewer than 860 Southern firms active in the North; most are small traders rather than investors. Last June, Kim Jung-tae formed a 200-strong business association to press for Seoul's ban to be eased, but has had no joy so far.

KoRes chafes too, for lost mines

It is not only private firms that are affected. Korea Resources Corporation (KoReS), a South Korean parastatal, held a forum in Seoul to express its concerns on April 15 – Kim Il Sung's birthday, no doubt coincidentally. Kim Shin-jong, KoRes' president, complained that having invested in 10 Northern projects, he now cannot even ascertain their status, much less visit.

The most advanced of these was a \$10 million graphite mine near the DMZ, which had twice delivered supplies to the South – but none for over a year. In the same border province, South Hwanghae, KoRes also signed MOUs for coal mines at Ayang in Sinwon County and Pungchon in Yonan County, where the first joint drilling took place in October 2008. In the northeast, MOU was directly involved with three major mines in Tanchon, South Hamgyong Province – Komdok, Ryongyang, and Taehung – producing coal, zinc, lead, and the rare metal magnesite, used to line blast furnaces and found only in North Korea and China. By early 2008, the Tanchon project had had its third feasibility study, but it has since ground to a halt.

Three other mining JVs with the North involved Southern private capital. One was to supply the phosphate apatite, a key ingredient of fertilizer. The ROK imports all of its apatite, some from as far away as Nauru. Like KITA, the KoRes forum noted that the Lee administration curtailed cooperation with the North even before the *Cheonan* sinking – and warned that this creates openings for China. KoRes claims that annual Chinese imports of DPRK minerals have risen threefold in five years, from \$300 million in 2005 to \$900 million in 2010.

Hyundai is stripped of its tourist license, illegally

On March 1, an official of the DPRK Committee of Investment and Joint Ventures (CIJV), a body apparently growing in clout, told *KCNA* that North Korea “encourages foreigners to [invest] in the country ... and neither nationalizes nor seize (sic) their invested properties.”

Hyundai knows different. The late Chung Ju-yung, northern-born founder of what used to vie with Samsung to be South Korea's largest *chaebol* (conglomerate), threw his millions into the “sunshine” policy; investing first in Mt. Kumgang, a famed beauty spot on the east coast just north of the DMZ, and later in the KIC which he did not live to see in operation (he died in 2001; it opened in 2003). Tours to Mt. Kumgang, first by boat and later by road across the once impenetrable DMZ, during their first decade (1998-2007) took 1.95 million Southern visitors (and a handful of foreigners) to this Northern enclave. Hyundai Asan, the subsidiary formed to handle Hyundai's Northern business, invested almost \$700 million at Mt. Kumgang. A greedy Pyongyang not only charged a stiff license fee, but also expected Hyundai to pay all construction costs for port facilities, hotels, amenities, and more.

That was then. Mt. Kumgang has now stood idle for nearly three years since July 2008. The South suspended tours after a middle-aged female tourist was shot dead there in mysterious

circumstances and the North refused entry to Southern investigators. Neither side has budged since and Hyundai is paying the price in lost revenues – and now stolen assets. In 2010, the North froze Hyundai's and other ROK-owned property at Mt. Kumgang. Exactly a year later on April 8, the DPRK Asia-Pacific Peace Committee (APPC) said it will rescind Hyundai's monopoly of Mt. Kumgang tourism, granted in 2002 and supposedly good for half a century until 2052. On April 29, over protests by both Hyundai and Seoul that this is illegal, the Supreme People's Assembly Presidium formally annulled Hyundai's rights. It decreed a new special zone for international tourism in the area, yet it is unclear what other operator or market can be found. (A Seoul magazine mentioned Kempinski, but the Thai-owned Swiss hotel chain is hardly likely to handle stolen property. China is an alternative as well as the only conceivable mass market, yet there is little at Kumgang to attract Chinese as opposed to Korean visitors.)

Seoul allows limited private aid

Recent months have seen much debate on how bad North Korea's latest food crisis really is. (The [US] National Committee for North Korea [NCNK], a valuable and under-publicized resource on all things DPRK, has compiled a comprehensive collection of fact and opinion on this issue: (<http://www.ncnk.org/resources/news-items/DPRK-Humanitarian-Updates> .)

The UN deems the DPRK “highly vulnerable to a food crisis.” That was the verdict of a month-long Rapid Food Security Assessment Mission (RFSAM) conducted from mid-February to mid-March by three UN agencies: the Food and Agriculture Organization (FAO), World Food Program (WFP) and the UN Children's Fund (UNICEF). They noted that the Public Distribution System (PDS) provides a meager 381 grams – half what is needed – and will run out of food in May. In the lean season (May-July) over 6 million people “are in need of international food assistance.” (<http://home.wfp.org/stellent/groups/public/documents/ena/wfp233442.pdf>)

On April 29, WFP and UNICEF launched a one-year \$200 million emergency plan “to feed an estimated 3.5 million people in desperate need after crop losses and a particularly bitter winter.” It is unclear how this will be financed. UNICEF earlier reported that having sought \$10 million for its work in North Korea last year, in the end it only raised a fifth of this. Undaunted, it has launched a \$20 million appeal to fund work in five provinces with the worst malnutrition rates, targeting 165,000 pregnant or lactating women and 400,000 young children as the most vulnerable. For its part, WFP seeks to provide nearly 300,000 metric tons of grain plus 137,000 metric tons of fortified foods.

Humanitarian arguments aside, the former businessman Lee Myung-bak, who in December said he felt “that reunification is drawing near”, might be expected to show concern for the quality of human capital available to a future reunified Korea. (With as many as a third of the DPRK's children stunted, much damage has already been done.) Yet having cancelled the rice (500,000 tons) and fertilizer (300,000 tons) that South Korea used to send to the North each year, what mostly emanates from official Seoul these days is the skeptical sneering of the well-fed. Two such arguments are that Pyongyang in fact holds large grain stockpiles in case of war, which it could dip into, or that it wants to amass supplies so as to celebrate Kim Il Sung's centenary next year with a mighty feast, billed as a show of generosity by his son.

By April, for whatever reason, the ROK government had slightly relented and allowed a few NGOs to send aid to the North, albeit in quantities too small to make much difference. As of early May there were signs that official food aid may follow. For some it is already too late.

Foot and mouth: the South infects the North?

In 2007 when North Korea was struck by foot and mouth disease (FMD), South Korea sent veterinarians and medical aid. Now the DPRK is stricken again, but the ROK is in no mood to help – even though it may well be the source, having struggled since last November to contain its own nationwide epidemic that has seen 3.47 million cattle and pigs slaughtered. FAO said on March 24 that North Korea urgently needs animal vaccine and other materiel, costing just \$1 million: small change to Seoul, as a more far-sighted government would have grasped.

Two birthdays are marked, but not yet a third

All this proceeded against a backdrop of the usual high days and holy days that stud the first tetrameter of the year in North Korea. These already include two sacred birthdays, those of Kim Jong Il on Feb. 16 and his late father Kim Il Sung, North Korea's founding "great leader," on April 15. The latter, known locally as Sun's Day, was marked as usual by an arts festival – the 27th of its kind since 1982 – with musical and circus performances by artistes from China, Russia, Bulgaria, Belarus, France, and Germany. Earlier, Kim Jong Il enjoyed special birthday performances of ice skating and of synchronized swimming. In the latter, dozens of nymphets with red fans lined up in the pool to form the numbers 2.16. (This can be appreciated by all at <http://www.youtube.com/watch?v=UfijyBNMt58>, or at interminable length at <http://www.youtube.com/watch?v=Tvaxyawknjc> .)

There was also the usual festival of Kimjongilia – a begonia named in his honor by a Japanese botanist. In an especially harsh winter, scarce electricity went to heat greenhouses across the land – this is a competition: woe betide the work unit whose blooms are not up to par – for tens of thousands of these flowers. Naturally there is also a Kimilsungia flower, an orchid, with its own festival in April – but as yet no Kimjongunia. The "young general" too had his birthday in this season – on Jan. 8, when he probably turned 28. This is not yet a public holiday, as some had predicted. The North's *KCBS TV* aired an hour-long documentary about his achievements the next day, but that was all. Or not quite all. On Jan. 8 South Korean rogue hackers hijacked the DPRK website *Uriminzokkiri* as well as its *Twitter* and *YouTube* accounts, posting a cartoon that showed Kim Jong-un in a sports car running over hungry citizens before meeting his comeuppance. Subtle it is not. This can still be seen (in Korean, but the images suffice) at <http://www.youtube.com/watch?v=Fg5y-kpVtSE>

Another regular spring highlight is the annual session of what passes for a parliament in North Korea. The Supreme People's Assembly (SPA) duly met on April 7. As usual, a single day sufficed to hear an economic report, which gave almost no information, and to approve a budget with no hard numbers, only percentages. There were also two significant personnel changes. Ri Myong-su, a general and a key aide to Kim Jong Il, was appointed as minister of people's security. He replaces another general, Ju Sang Song, in post since 2004 but who on March 16 was unusually announced as dismissed by the National Defence Commission (NDC: the highest

executive body, outranking the Cabinet) due to illness. Only a month earlier Ju had received his visiting Chinese counterpart, so this may conceal a purging.

Also Jon Pyong Ho, who has long run the armaments industry, was removed from the NDC. He was supposedly transferred, but no new post was mentioned – and he is 84. His successor is Pak To Chun; a former chief Party secretary in Jagang Province on the Chinese border, where many arms factories are situated. At 65 Pak is young by Pyongyang elite standards.

Neither Kim Jong Il nor Kim Jong Un attended the SPA. The former often does not bother to turn up, though he did last year; big meetings reportedly bore him. Against some predictions, Kim Jong Un received no further promotions. Unusually, both father and son were reported as elsewhere – giving on-the-spot guidance in Jagang during April 6-8. Kim Jong Il's sister Kim Kyong Hui, since September a KPA general and a full Politburo member, as well as her powerful husband Jang Song Thaek who is a vice-chairman of the NDC, were also part of the party. The first family could hardly have snubbed their supposed legislature more openly.

Both Koreas snub Jimmy Carter

Former US President Jimmy Carter's abortive visit to the two Koreas in late April belongs mainly under US-Korea relations. Here it is worth noting how firmly both Korean states rebuffed his good offices and those of the three distinguished European leaders who accompanied him on behalf of The Elders. They were Mary Robinson, one-time President of Ireland and UN High Commissioner for Human Rights; Gro Harlem Brundtland of Norway, a former head of the World Health Organisation (WHO); and Finland's Martti Ahtisaari, the 2008 Nobel Peace Prize laureate for his peace-making efforts in the Balkans and elsewhere.

This was a high-powered team and perhaps too much was expected of it. The hope was that the visitors might be able to kick-start currently stalled nuclear and inter-Korean dialogue. This would have required all concerned – above all, the two Koreas and the US – at some level to tacitly acknowledge the impasse. They could have used Carter and his colleagues to send messages, or at least serious signals, which might have served to put talks back on track; the precedent of course being Carter's famous first visit in 1994, which defused a nuclear crisis.

Kim Jong Il did not meet him then, nor last year when Carter returned to rescue an errant US Christian activist just as Kim headed for China. Now it was third time unlucky again. In fact North Korea's handling of the whole visit showed scant respect. *KCNA* mentioned only Carter, not naming any of his colleagues. Its reports on the visit were minimal, some only a single sentence. Carter himself, now 86 and mostly upbeat as ever, described a “surprisingly negative and confrontational” diatribe from Kim Yong Nam, himself 82 and now titular DPRK head of state, that went on so long that his guests missed their lunch. (Kim, then foreign minister, did the same to Carter in 1994.) More at http://www.cartercenter.org/news/trip_reports/korean-peninsula-042211.html

South Korea was hardly more welcoming. President Lee did not make time to see the Elders, allegedly due to scheduling conflicts and despite their bearing an oral message, apparently from Kim Jong Il, offering unconditional talks. Carter caused anger with a sharp comment, made

twice, that for the ROK and US to refuse food aid is a human rights violation. Critics felt that this was one-sided, oversimplifying the real dilemmas and complexities involved in both food aid as such (e.g., diversion risks) and overall inter-Korean relations more broadly. In what may have been a Pyongyang olive branch – barely a twig, in truth – Carter conveyed the North’s “deep regret for the loss of life” in the *Cheonan* and Yeonpyeong incidents. But South Korea needs more than that. Foreign Minister Kim Sung-hwan said stiffly that the North should contact the South directly; there was no need to use foreign intermediaries.

A change of tack?

Inter-Korean relations will not forever remain at their present impasse. Two years from now South Korea will have a new president, and there is every sign that he – or quite possibly she – will revert to a less hard line than Lee Myung-bak, even if the conservative ruling GNP retains power. Park Geun-hye, the front-runner, has in the past visited Pyongyang. Another likely GNP contender, current Seoul mayor Oh Se-hoon, on a visit to Harvard on April 19 criticized current ROK policy on the North as “somewhat rigid ... we need to have strategic flexibility” and called for a renewed engagement approach. Amen.

Chronology of North Korea-South Korea Relations January – April 2011

Jan. 1, 2011: North Korea’s customary New Year’s editorial of three leading daily papers – those of the party (*Rodong Sinmun*), military (*Joson Inmingun*) and youth organization (*Chongnyon Jonwi*) – calls, among much else, for “relieving the state of confrontation” and the threat of war between North and South Korea.

Jan. 1, 2011: At the newer of its two websites, the official *Korean Central News Agency* (KCNA) now offers videos and a Japanese language section: <http://175.45.179.68/eng/>

Jan. 2, 2011: Citing UN data, the ROK’s Statistics Korea predicts that the urbanization gap between the two Korea will widen. The North was the more urbanized until the 1980s, but as of 2010 South Korea is 83 percent urban and rising, while the North is static at 60 percent.

Jan. 3, 2011: In his New Year’s address, broadcast live, ROK President Lee Myung-bak says: “I remind the North that the path toward peace is yet open. The door for dialogue is still open.” He adds that “nuclear weapons and military adventurism must be discarded,” and compares the Yeonpyeong shelling to the 9/11 attacks on the US.

Jan. 4, 2011: ROK Ministry of Unification (MOU) reports that 2010 was Kim Jong Il’s most active year ever since he took power in 1994, with 161 reported guidance visits (up from 159 in 2009). 63 of these were to economic sites and 38 to military ones.

Jan. 5, 2011: The *JoongAng Ilbo*, Seoul’s leading daily, says that Seoul will likely push for bilateral North-South dialogue before any attempt to reopen the Six-Party Talks.

Jan. 5, 2011: The Min Forum, a senior liberal group in Seoul, calls for inter-Korean talks. Moon Chung-in of Yonsei University describes the recent situation on the peninsula as “the worst since the Korean War.”

Jan. 5, 2011: A joint meeting of the DPRK government, political parties and organizations in Pyongyang calls for “wide-ranging dialogue and negotiations ... [and] an unconditional and early opening of talks between the authorities having real power and responsibility, in particular.

Jan. 5, 2011: *Rodong Sinmun*, daily paper of North Korea’s ruling Workers’ Party of Korea (WPK), attacks Seoul’s bid to highlight DPRK human rights abuses: “They are the arch criminals who turned ... south Korea into the worst tundra of democracy and human rights in the world ... There is no such human rights issue in the DPRK.”

Jan. 5, 2011: According to the South’s Statistics Korea, ROK gross national income (GNI) in 2009 at 837 billion was 37 times the DPRK’s \$22 billion.

Jan. 7, 2011: South Korea returns three North Korean fishermen via Panmunjom.

Jan. 7, 2011: ROK Vice Unification Minister Um Jong-sik dismisses the DPRK’s Jan. 5 overture, telling *KBS Radio*: “In both format and content, I believe it is difficult to see (the statement) as a formal proposal for talks.”

Jan. 7, 2011: An ROK government source says the North’s Korean People’s Army (KPA) recently lowered its alert level in the West (Yellow) Sea, which it raised on Nov. 21 two days before shelling Yeonpyeong

Jan. 8, 2011: The North’s Committee for the Peaceful Reunification of the Fatherland (CPRF) proposes “unconditional talks” between the two Korean governments

Jan. 8, 2011: On Kim Jong Un’s birthday the DPRK website *Uriminzokkiri* is knocked out, while its *Twitter* and *YouTube* accounts are hijacked and show material derogatory of Kim Jong Il and Kim Jong Un. South Korean (private) hackers gleefully claim responsibility.

Jan. 9, 2011: The North’s *Korea Central Broadcasting Station (KCBS)* airs an hour-long TV documentary on Kim Jong Un, a day after his birthday – which was not otherwise celebrated.

Jan. 9, 2011: Seoul reaffirms that any new inter-Korean talks must include the nuclear issue.

Jan. 10, 2011: Seoul proposes talks on the North’s Nov. 23 shelling of Yeonpyeong Island.

Jan. 10, 2011: The North’s Asia-Pacific Peace Committee (APPC), and the heads of its Red Cross and of the Consultative Office for North-South Economic Cooperation (CONSEC) in the KIC, each send letters to their Southern counterparts urging fresh talks on cooperation.

Jan. 10, 2011: MOU reports that North Korea has banned ROK pork, beef, and poultry from the KIC, due to rampant foot and mouth disease (FMD) and avian influenza in South Korea.

Jan. 11, 2011: *Minju Josen*, daily paper of the DPRK Cabinet, attacks Seoul for not agreeing to Pyongyang's proposal for unconditional talks. It repeats that the North is "ready to meet anyone anytime and anywhere from the standpoint of great national unity."

Jan. 12, 2011: Two more DPRK bodies – the General Guidance Bureau for Development of Scenic Spots (GGBDSS), which oversees the Mt. Kumgang resort; and the General Bureau for Central Guidance to the Development of the Special Zone of the DPRK (GBCGDSZ), which looks after the KIC – each send notices to their ROK counterparts proposing talks.

Jan. 12, 2011: The North reopens its Red Cross Office at Panmunjom in the Demilitarized Zone (DMZ). MOU notes that the North had unilaterally closed it in the first place.

Jan. 13, 2011: The ROK Communications Standards Commission (CSC) blocks access to all websites using the DPRK's domain name .kp, saying these contain "illegal information" under Seoul's anti-communism and security laws. Pyongyang has only recently begun using its national .kp suffix, years after it was first allocated. (South Korea's equivalent is .kr.)

Jan. 15, 2011: *KCNA* says the DPRK Cabinet has adopted a 10-year development plan, to be run by a new agency – the State General Bureau for Economic Development (SGBED). No further details of either are given, and as of May the SGBED has not been heard of since.

Jan. 15, 2011: Meeting his ROK counterpart Kim Sung-hwan in Seoul, Japan's Foreign Minister Maehara Seiji clarifies that inter-Korean dialogue should precede any resumption of talks between Pyongyang and Tokyo.

Jan. 16, 2011: *Rodong Sinmun* reiterates the North's call for dialogue: "No issue can be solved by way of confrontation. This is proved by the last three years of confrontation."

Jan. 18, 2011: Seoul sources say North Korea too is suffering from an FMD outbreak.

Jan. 18, 2011: The South's state-run Korea Institute of Defense Analyses (KIDA) claims that the North's actual military spending in 2009 was \$8.77 billion: 15 times more than the official figure of \$570 million, and equivalent to a third of total gross national income.

Jan. 19, 2011: MOU says 10 ROK companies are being investigated for illegally importing DPRK goods. Seoul has banned inter-Korean trade (except the KIC) since May 2010.

Jan. 19, 2011: MOU announces that despite the ban on inter-Korean trade in 2010 reached a record \$1.91 billion, up 14 percent on 2009. The KIC alone accounted for \$1.44 billion, up by more than half (53 percent) from 2009.

Jan. 19, 2011: *Radio Free Asia (RFA)* claims that on Jan. 10 the WPK sent a written order to work units telling them to supply food for the KPA. This has only occurred twice before.

Jan. 20, 2011: In a telegram signed by Minister People's Armed Forces (MPAF) Kim Yong Chun and sent to the South's Defense Minister Kim Kwan-jin, North Korea proposes high-level military talks. On Jan. 26 Seoul accepts this, and suggests a date of Feb. 11.

Jan. 21, 2011: A Seoul court sentences Rev. Han Sang-ryol to five years jail for his illegal two-month visit to North Korea last summer. Pyongyang condemns this as "persecution."

Jan. 22, 2011: MOU reports a dip in output at the KIC in November, when the North shelled Yeonpyeong. Production fell from \$29.4 million worth of goods in October to \$25.1 million, or by 15 percent. However the number of Northern workers in the zone grew to 45,000.

Jan. 25, 2011: ROK FM Kim Sung-hwan says the North must offer an "acceptable" apology at upcoming military talks for sinking the *Cheonan* and shelling Yeonpyeong.

Jan. 26, 2011: MOU calls on Pyongyang to hold inter-Korean talks on the nuclear issue.

Jan. 26, 2011: The North's Foreign Ministry (MFA) reiterates the DPRK's commitment to denuclearization of the peninsula, but warns Seoul against setting "unilateral preconditions" or trying to manipulate the order of pending cross-border talks.

Jan. 27, 2011: Lee Choon-geun of the Korea Economic Research Institute (KERI), a private Seoul think-tank, says North Korea has made an annual average of 3.8 military provocations since 1958, rising to 4 during and despite the 'sunshine' policy era (1998-2007). He and others at a KERI seminar aver that for Seoul "strong actions are the best option" in response.

Jan. 27, 2011: *Rodong Sinmun* urges the South Korean government and conservative media to desist from "mudslinging and provocative acts" which incite confrontation with the North.

Jan. 28, 2011: Kim Jong Il's exiled eldest son Kim Jong Nam tells the Japanese daily *Tokyo Shimbun* that his father opposed a third-generation hereditary succession, but had no option in order to preserve stability. He made similar comments to the Japanese press in October.

Jan. 28, 2011: The DPRK Democratic Front for the Reunification of the Fatherland (DFRF) proposes inter-Korean parliamentary talks to discuss how to defuse tension on the peninsula. The DFRF also urges talks on resuming suspended inter-Korean tourism. MOU dismisses all this as a "a routine offensive" and "not a behavior that shows sincerity."

Jan. 31, 2011: The North's APPC again urges prompt talks on humanitarian issues, as well as other topics of mutual interest including reunions of separated families.

Feb. 1, 2011: The two Koreas agree to hold working-level military talks on Feb. 8. President Lee urges the North to seize a "good opportunity" at the military talks. Speaking on TV, he adds that he "can hold a summit if necessary."

Feb. 1, 2011: The head of the DPRK Red Cross sends a message to his ROK counterpart, demanding to hold a proposed inter-Korean Red Cross meeting at the earliest possible date.

Feb. 3, 2011: The DPRK Supreme People's Assembly (SPA) sends a letter to the ROK National Assembly, proposing contact and negotiations to improve North-South relations.

Feb. 5, 2011: A five-ton DPRK fishing boat arrives off Yeonpyeong in thick fog. All 31 North Koreans aboard are taken to Incheon for questioning. They say they do not want to defect.

Feb. 7, 2011: Nam Sung-wook, director of the Institute for National Security (INS) says that Kim Jong Un is likely to visit China this year.

Feb. 8, 2011: The DPRK Red Cross calls on Seoul to return the 31 boat people.

Feb. 8, 2011: MOU forbids the NGO Council for Cooperation with the North, an umbrella group of 50 aid bodies, to go as invited by the North's National Reconciliation Council to monitor distribution of food aid sent last year. MOU explains that since Pyongyang has yet to show regret over the *Cheonan* or Yeonpyeong, "our punitive measures will stay in effect."

Feb. 8-9, 2011: Colonel-level military talks are held at Panmunjom. The talks break up abruptly when the KPA team walks out. They later accuses the South of being the ones who walked out.

Feb. 9, 2011: Seoul says it agrees "in principle" to Red Cross talks about fresh reunions of separated families. However, the failure of military talks later the same day puts paid to this.

Feb. 10, 2011: In a four-page diatribe blasting Seoul as insincere, the KPA says it "does not feel any need to deal with the group of traitors any longer." Various DPRK media carry this in full over the next 24 hours, in a marked change from their milder tone hitherto this year.

Feb. 10, 2011: KCNA belatedly confirms that the North too is suffering an FMD outbreak.

Feb. 10, 2011: ROK Unification Minister Hyun In-taek says that Seoul is "keeping its door open" to Pyongyang despite the breakdown of military talks: "We will wait and see."

Feb. 10, 2011: ROK's official National Human Rights Commission (NHRC) says it will set up a North Korean Human Rights Violations Reporting Center, and also a Hall of North Korean Human Rights Violation Records.

Feb. 11, 2011: In yet another overture, the North's APPC writes to each of the South's four main political parties: "We are hoping to talk frankly with anyone, whether a ruling or opposition party or a liberal or a conservative party, to improve North-South relations."

Feb. 13, 2011: Database Center for North Korean Human Rights, an ROK NGO, reports that half of all DPRK defectors in the South have sent money to their families still in the North.

Feb. 14, 2011: In its annual assessment of the DPRK power structure, MOU says that Office 38, a bureau that raises funds for Kim Jong Il, has been revived after being merged in 2009 with Office 39 – whose remit is wider. UN sanctions are thought to be impeding both.

Feb. 14, 2011: MOU reports that Pyongyang has shrunk. Half of the DPRK capital's area (formerly 2,630 square kilometres), with a sixth of its people (500,000) – presumably rural – have been shifted to adjacent North Hwanghae Province. The aim may be to save money.

Feb. 15, 2011: The ROK broadcaster *KBS* and others show footage of Kim Jong Il's second son, Kim Jong Chol, at an Eric Clapton concert in Singapore the previous day with a female companion, probably his sister Yo Jong.

Feb. 16, 2011: Kim Jong Il's birthday is celebrated with the usual pomp and circumstance, including displays of ice-skating, synchronized swimming, and Kimjongilia flowers.

Feb. 16, 2011: Video footage shown on *KCBS TV* reveals that the as yet unannounced Kim Jong Un joined his father in visits to military bases from as early as January 2010. He is also now listed directly after his father, ahead of Vice Marshal Ri Yong Ho – who outranks him.

Feb. 20, 2011: An ROK source says that their and US intelligence have spotted the North digging new tunnels at its nuclear test site in Punggye-ri, North Hamgyong province: "It's obvious [they are] preparing for a third nuclear test."

Feb. 22, 2011: Unification Minister Hyun In-taek predicts that protests in the Middle East will not affect the DPRK: "I believe the North Korean people have yet to learn of the facts because the North's television does not report on them and the people can't use the Internet."

Feb. 23, 2011: KCNA renews its claim that Seoul provoked November's Yeonpyeong shelling: "Our military sent a telephone message to the puppet government ... in order to keep peace and stability on the peninsula by preventing military confrontation but the group of traitors turned to its artillery on Yeonpyeong Island and fired toward our territorial waters."

Feb. 24, 2011: *Yonhap* reports that in a letter sent to US Defense Secretary Robert Gates in January, DPRK MPAF Kim Yong Chun warned that a "nuclear catastrophe will break out on the Korean Peninsula" and demanded talks with Washington to avert this. The US refused flat.

Feb. 24, 2011: A senior MOU official says that while "small-scale protests over livelihood have been reported since [North Korea's Dec. 2009] botched currency reform, we have not observed any circumstances to be viewed as a collective demonstration there."

Feb. 25, 2011: *KCNA*, previously in English and Spanish, now also has a Korean language website – presumably aimed at South Korea, although blocked there: <http://www.kcna.kp> .

Feb. 26, 2011: An unnamed top ROK official insists that for the Six-Party Talks to resume, the DPRK's uranium enrichment program must first be taken in hand: "We have to get the UN Security Council to define the nature of this matter and take corresponding steps."

Feb. 27, 2011: A KPA spokesman uses *KCNA* to warn that "our army will stage direct fire at the Imjin Pavilion and other sources of the anti-DPRK psychological warfare" if activists continue to

float propaganda balloons into the North across the DMZ. The same day, North Korea's mission at Panmunjom issues its usual critique of the imminent annual US-ROK *Key Resolve* and *Foal Eagle* military drills, and warns of "turning Seoul into a sea of fire."

Feb. 27, 2011: Seoul says the DPRK boat people (see Feb. 5) will be returned in a few days.

Feb. 28, 2011: A *KCNA* editorial denounces the joint US-ROK *Key Resolve* military drill, which began the same day. Next day's *Rodong Sinmun* calls this a "blatant challenge" to the North and an "unpardonable crime" aimed at driving the peninsula to the brink of war.

Feb. 28, 2011: *KCNA* carries a joint "peace declaration" by the North's General Federation of Trade Unions (GFTU) and the South's two union umbrella bodies, FKTU and KCTU. As reported, this "expressed concern about the touch-and-go situation prevailing on the Korean Peninsula [and] urged the US and the south Korean authorities to immediately halt the *Key Resolve* and *Foal Eagle* joint military exercises."

Feb. 28, 2011: ROK agriculture minister Yoo Jeong-bok says FMD has hit seven provinces and cities in the North, affecting 11,000 head of cattle and pigs. This is vastly less than in the South, which since Nov. 29 has slaughtered 3.4 million animals for a loss of \$2.6 billion.

March 1, 2011: On the 92nd anniversary of the March First movement against Japanese rule, DPRK media stress the need for self-reliant unification by Koreans alone. Marking the same day, President Lee reiterates that "we are ready to engage in dialogue with the North anytime with an open mind."

March 1, 2011: Visiting the ROK First Army Corps, whose remit includes Imjin pavilion, Defense Minister Kim Kwan-jin tells his men to retaliate at once if they come under attack: "Don't ask whether to shoot or not. Report after taking action first."

Mar. 2, 2011: Marking the 42nd anniversary of MOU's establishment (originally as the National Unification Board), Minister Hyun In-taek says that "over the past 20 years North Korea has gone against the global trend and our good intentions to develop nuclear weapons, further isolate itself from the outside world and strengthen its military-first policy."

March 4, 2011: The South brings the 27 boat people to Panmunjom to repatriate them. But the North refuses to accept them, demanding that the other four be returned as well.

March 6, 2011: Kim Jung-tae, head of Pyongyang Andong Hemp Textiles, says that "South Korean companies which invested about 200 billion won [\$179 million] in Pyongyang and Nampo are on the brink of bankruptcy because of the suspension of inter-Korean trade."

March 7, 2011: North Korea proposes Red Cross talks about the boat people on March 9, and demands that the South bring the four whom it seeks to keep. Seoul says it is ready to talk, but will not bring the four to the meeting.

March 8, 2011: South Korea's Foreign Ministry (MOFAT) says it will seek international punishment of North Korea for jamming GPS signals on March 4 during US-ROK exercises.

March 9, 2011: ROK Unification Minister Hyun says that "current inter-Korean relations are quite difficult ... There is a variety of currents but they yet look unstable and uncertain ... In principle I believe (a summit) is needed, but for now conditions are not ripe."

March 11, 2011: Kwon Tae-jin, a North Korea expert at the Korea Rural Economic Institute (KREI) in Seoul, says he expects the North's grain harvest to fall by 100,000 tons this year to 4 million tons. It needs 5.5 million tons to feed everyone. The same day, a joint mission of UN agencies concludes its month-long on-the-spot assessment of the DPRK food situation.

March 12, 2011: Assistant Secretary of State Kurt Campbell says in Seoul that the US will "consult closely" with the ROK before any decision about food aid for the DPRK.

March 12, 2011: *KCNA* dismisses a recent comment by South Korea's "chief executive" that the South is ready for dialogue with the North, saying this "cannot but arouse derision."

March 15, 2011: North Korea at last agrees to accept just the 27 boat people who want to go home, but insists they do so by sea. This causes further delay, as their craft is unseaworthy.

March 15, 2011: North Korea's liaison officer at Panmunjom refuses to accept an official South Korean letter of complaint about alleged jamming of its GPS signals by the North.

March 16, 2011: *KCNA* reports that Minister of People's Security Ju Sang-song has been "dismissed from his post due to illness" by the NDC. Some in Seoul doubt this explanation.

March 16, 2011: In a lecture, ROK Unification Minister Hyun In-taek says North Korea is not at risk of collapse. Its political situation is "relatively more stable than in the past."

March 17, 2011: After Japan's disaster, the director of the DPRK Bureau of Earthquake writes to the ROK's meteorological office, proposing joint research on volcanic activity at Mt. Paektu. The peninsula's highest peak, on the Sino-DPRK border, last erupted in 1903.

March 19, 2011: *KCNA* says Kim Jong Il sent a personal message for the 10th anniversary of the death of Hyundai group founder Chung Ju-yung, saying he paved the way for national reconciliation and cooperation. On March 20, Hyundai officials in the Kaesong zone receive a wreath from the North's Asia-Pacific Peace Committee (APPC) in memory of Chung.

March 21, 2011: *KCNA* wittily calls ROK MOU the "ministry of confrontation and separation."

March 22, 2011: Kim Tae-hyo, ROK deputy national security adviser, tells a security forum in Seoul that "a heartfelt apology for the two provocations last year could become a starting point to opening new South-North relations."

March 22, 2011: Seoul agrees to volcano talks, on a civilian rather than an official basis. It suggests March 29 in Munsan: an ROK city near the DMZ used for dialogue in the past.

March 23, 2011: *KCNA* quotes an unnamed KPA commander threatening to fire at activists who send balloons carrying propaganda into the North: “If the South’s puppet warmongers do not want to see the lesson of the Yeonpyeong artillery battle repeat, it must act discreetly and stop all its moves for psychological warfare, including the dissemination of leaflets.”

March 23, 2011: The (South) Korea International Trade Association (KITA) compares North Korea’s trade with the South and China. Both rose in 2010, but the latter more than twice as fast. Inter-Korean trade last year was only 55 percent of the Sino-DPRK total.

March 24, 2011: *Yonhap* quotes an unnamed official as saying Seoul will soon let NGOs resume limited humanitarian aid to the North, but excluding food items like rice and corn.

March 27, 2011: The 27 DPRK boat people, in their repaired craft, are finally handed over in the West (Yellow) Sea at the Northern Limit Line (NLL), the contested sea boundary.

March 27, 2011: A day after the anniversary of the sinking of the *Cheonan* a year ago, the DPRK website *Uriminzokkiri* posts six articles casting doubt on Seoul’s investigation which held Pyongyang responsible.

March 29, 2011: Meeting in Munsan, civilian seismic experts from both Koreas agree on the need for joint volcanic research. No date is agreed to reconvene.

March 30, 2011: DPRK liaison officials at Panmunjom refuse to accept a letter from Hwang In-cheol, a South Korean publisher now aged 44, demanding the return of his father who was aboard an ROK airplane hijacked to Pyongyang in 1969.

March 31, 2011: ROK MOFAT says the International Civil Aviation Organization (ICAO) has complained to the DPRK about its jamming of South Korean GPS signals, and agreed to take “necessary measures” if there is any repetition.

March 31, 2011: Seoul eases its ban on humanitarian aid to the North by NGOs, allowing the Eugene Bell Foundation to send tuberculosis medication worth \$306,000.

April 4, 2011: MOU permits two South Korean NGOs to send powdered milk and porridge worth \$161,800 to orphanages in North Korea’s bleak northeast. A day later Vice Foreign Minister Park Seok-hwan said Seoul is “thoroughly reviewing” a recent assessment by three UN agencies, which called for 434,000 tons of food aid to feed 6 million North Koreans.

April 4, 2011: ROK official confirms the execution of former DPRK Railways Minister Kim Yong Sam, not seen since 2008. He links this to the huge rail explosion at Ryongchon in 2004, seen by some as a bid to kill Kim Jong Il whose train passed by hours earlier.

April 5, 2011: ROK Defense Minister Kim Kwan-jin tells lawmakers that both eastern and western sea borders are under close watch, as the KPA has staged seaborne infiltration drills. Next day a Seoul source says Pyongyang has tested a new larger Sango-class submarine.

April 5, 2011: University of Georgia professor Park Han-shik, just back from Pyongyang – he has made over 50 visits – tells *Yonhap* that North Korea still denies sinking the *Cheonan* and “will never offer an apology, even after a century or millennium passes.”

April 6, 2011: The Cyber Terror Response Center of the ROK National Police Agency (NPA) accuses the DPRK of responsibility for a wave of cyber-attacks on March 3-5.

April 6, 2011: ROK geologists propose more volcano talks on April 12 in Kaesong.

April 6, 2011: MOU says it will not allow 14 NGOs to meet North Koreans in Shenyang, China during April 7-10 to discuss aid, “considering the current situation.”

April 7, 2011: The DPRK Supreme People’s Assembly (SPA) holds its annual session, for a single day. It approves a budget with no numbers. Ri Myong-su is appointed Minister of People’s Security, and Pak To-chun to the National Defense Commission (NDC).

April 7, 2011: Yoon Sang-hyun, a lawmaker of South Korea’s conservative ruling Grand National Party (GNP), claims that North Korea has at least a million tons of rice stockpiled in case of war: 300,000 tons for regular forces and 700,000 tons for reserves. It has also stored 1.5 million tons of oil and 1.7 million tons of ammunition, he says.

April 8, 2011: The DPRK Asia-Pacific Peace Committee (APPC) warns that it will revoke Hyundai Asan’s tourism monopoly at the Mt. Kumgang resort.

April 12, 2011: At a second round of volcano talks, held in Kaesong and lasting for eight hours, the two Koreas agree to convene an expert forum in May – possibly in Pyongyang – on potential volcanic activity at Mt. Paekdu, followed by an on-site survey in mid-June.

April 13, 2011: MOU issues new guidelines for schools denouncing North Korea’s human rights abuses and its hereditary succession. Southern conservatives regard many ROK school texts on modern Korean history as over-critical of the South while whitewashing the North.

April 15, 2011: North Korea marks Sun’s Day, the 99th birthday of its founder Kim Il Sung, with an arts festival and other celebrations. South Korean activists launch 200,000 leaflets into the North, bearing information about uprisings against dictators in the Middle East.

April 15, 2011: The ROK parastatal Korea Resources Corporation (KoRes) holds a forum in Seoul to voice its concern at losses in its DPRK mining ventures since Lee Myung-bak took office. Kim Shin-jong, KoRes’ president, says he now cannot even ascertain the status of ten Northern projects, much less visit. China is gaining ground in the North’s mining sector.

April 18, 2011: Young activists march to the National Assembly in Seoul to ask why a North Korea human rights bill has been delayed for a year. The reason is hostility by the opposition Democratic Party (DP), which fears that this will worsen inter-Korean relations.

April 19, 2011: MOU says that North Korea owes the South about \$1 billion for food, railway, and other loans. Repayment falls due from 2012. Seoul is not holding its breath.

April 20, 2011: MOU allows two further NGOs to send small amounts (worth \$90,000) of medical supplies and food for orphans to North Korea. 20 applications are still pending.

April 21, 2011: At a press conference in Pyongyang, 10 of the 27 returned boat people claim they were kidnapped and held in South Korea, which tried to force them to defect.

April 22, 2011: The KPA threatens “unpredictable and merciless” fire against any future launches of propaganda leaflets into the North, calling this “a form of psychological warfare and just a clear-cut war provocation to a warring side” and a violation of the 1953 Armistice.

April 22, 2011: Seoul rejects a renewed call by Pyongyang for Red Cross talks on the four boat people who defected.

April 22, 2011: MND belatedly confirms DPRK charges that machine-gun rounds were fired towards the North at Yeoncheon at the DMZ on April 15. It says this was an accident.

April 23, 2011: North Korea’s Committee for the Peaceful Reunification of the Fatherland (CPRF) accuses the South of “denying dialogue and driving the inter-Korean relations to catastrophe.” Specifically, it accuses Seoul of failing to send government officials to the volcano talks, but only “personages of a nongovernmental organization bereft of any real mandate and responsibility” who had “a very insincere attitude.”

April 25, 2011: US and ROK NGOs kick off North Korean Human Rights Week in Seoul. Held annually in Washington since 2004, this is the second year it has been staged in Korea.

April 25, 2011: The Seoul daily *Chosun Ilbo* reports that North Korean clams, scallops and other seafood are openly on sale in ROK markets.

April 26, 2011: Apropos the visit to Pyongyang by former US President Jimmy Carter and three retired European leaders, known as The Elders, Foreign Minister Kim Sung-hwan tells Pyongyang that it should speak to Seoul directly rather than using intermediaries.

April 27, 2011: Seoul suggests Red Cross talks on May 4, to discuss not just the North’s four boat defectors but also hundreds of South Koreans held in North Korea.

April 27, 2011: The DPRK Academy of Social Sciences sends a fax via China to the ROK’s Northeast Asia History Foundation (NEAHF), suggesting cooperation on ensuring that the sea between Korea and Japan is known internationally as the East Sea rather than the Sea of Japan. NEAHF replies positively, suggesting they meet at Kaesong in mid-May.

April 28, 2011: MOU nixes a visit to Kaesong by two ROK labor groups, FKTU and KCTU on two grounds: they applied late and such trips are banned. KCTU holds a protest rally, and asserts that “we will achieve a South-North workers’ general meeting at all costs even if we can’t be together in one place.” The last such joint meeting of unionists was in 2007.

April 28, 2011: In Seoul, Jimmy Carter says he bears a personal message from Kim Jong Il: “He specifically told us that he is prepared for a summit meeting directly with President Lee Myung-bak at any time to discuss any subject directly between the two heads of state.” Lee does not meet Carter either.

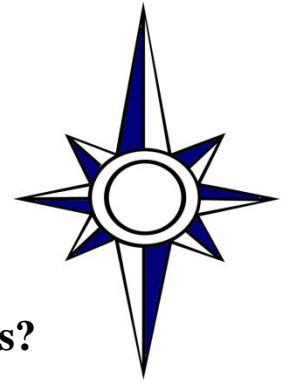
April 29, 2011: North Korea’s SPA Presidium formally annuls Hyundai Asan’s rights at Mt. Kumgang, declaring the area a new special zone for international tourism. (See also April 8)

April 29, 2011: An anonymous senior ROK official says the North’s purported summit offer is “nothing ... new” and “too ambiguous. What we want is concrete action.”

April 29, 2011: Ignoring DPRK threats to shoot at them, some 50 ROK activists launch 10 balloons across the DMZ. They carry 200,000 leaflets, 1,000 dollar bills, radios and DVDs.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



China-Korea Relations:

Can Inter-Korean Dialogue Revive the Six-Party Talks?

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In the aftermath of North Korea's artillery shelling of Yeonpyeong Island on Nov. 23, 2010, Chinese officials showed great concern about the possibility of escalation, focusing special concern on the possibility that South Korean military exercises might lead to military escalation. The January summit between Presidents Hu and Obama served to reduce tensions to some degree, especially through a call for resumption of inter-Korean talks in the US-China Joint Statement released at the summit. Following the apparent stabilization of inter-Korean relations, China has stepped up calls for "creating conditions" for the resumption of Six-Party Talks, engaging in diplomatic exchanges with both Koreas, including meetings between Special Representative for Korean Peninsula Affairs Wu Dawei and ROK nuclear envoy Wi Sung-lac on Feb. 10-11 in Beijing and again on April 26 in Seoul, and through DPRK Vice Minister Kim Kye Gwan's meetings in Beijing with Wu Dawei, Foreign Minister Yang Jiechi, and Vice Foreign Minister Zhang Zhijun respectively in mid-April in China. Although South Korea in April agreed to China's proposed "three-step" process toward restarting Six Party Talks – (1) Inter-Korean, (2) US-DPRK, and (3) Six-Party Talks – this plan makes the resumption of multilateral talks depend most critically on reaching consensus on the preconditions for inter-Korean talks, which remain stalled since a preparatory meeting for inter-Korean defense ministers' talks broke down in February.

Despite the regional stalemate on DPRK denuclearization, China and South Korea have attempted to stabilize and consolidate cooperation on other issues. Foreign Minister Yang met President Lee Myung-bak in Seoul on Feb. 23. ROK Foreign Minister Kim Sung-hwan returned the visit on March 28-30 and met Premier Wen Jiabao and Wang Jiarui, head of the party's international department. ROK Prime Minister Kim Hwang-sik visited China in April, holding talks with President Hu Jintao in Sanya, Hainan Province on April 14, and with Wen Jiabao and China's top legislator Wu Bangguo in Beijing on April 13. Chinese and ROK leaders also held a series of three-way talks with Japanese counterparts, including a ministerial conference on culture on Jan. 11 in Nara, a foreign ministers meeting on March 19 in Kyoto, trade ministers talks on April 24 in Tokyo, and an environment ministers meeting on April 29 in Busan.

Chinese diplomacy and the inter-Korean standoff

On Jan. 1, 2011, China's *Xinhua* featured an article quoting foreign experts crediting China for eased tensions on the Korean Peninsula; this article appeared to be an effort to counter widespread international – and rising domestic elite – criticism of China's handling of policy toward North Korea following the Yeonpyeong and *Cheonan* incidents in 2010. The Jan. 19 US-

China Joint Statement called for “sincere and constructive inter-Korean dialogue,” and joint opposition to “all activities inconsistent with the 2005 Joint Statement and relevant international obligations and commitments.” Although the joint statement included a direct reference to concerns about North Korea’s uranium enrichment program, China continued to block ROK and US efforts at the UN Security Council (UNSC) to explicitly condemn North Korea’s enriched uranium program as a violation of international obligations. Disagreements over how and whether to address this issue at the UN or through the Six-Party Talks emerged as a point of difference between China and the US and South Korea, respectively.

The combined US and Chinese call for a resumption of inter-Korean dialogue served as a buffer against renewed escalation of inter-Korean tension and prodded the two Koreas to reengage in talks. South Korea accepted the North’s offer for dialogue and proposed talks for Feb. 8-9 to prepare for an inter-Korean defense ministerial dialogue, but those talks broke down over North Korea’s refusal to apologize and take responsibility for the *Cheonan* and Yeonpyeong provocations. The breakdown underscored fundamental differences over the prerequisites to reengagement and reduced the likelihood of an early resumption of Six-Party Talks.

Foreign Minister Yang Jiechi reiterated China’s support for inter-Korean dialogue and early resumption of Six-Party Talks during his meeting with President Lee in Seoul on Feb. 23. Yang stressed peninsular and regional stability as “fundamental starting points” to dealing with Korean Peninsula affairs, based on the principles of denuclearization, long-term stability in Northeast Asia, and common regional interests. But Yang’s visit to Seoul came amid reports that China blocked the release of a UN expert panel report on the North Korean nuclear issue and has refused to publicly acknowledge or join with South Korea in expressions of concern regarding North Korea’s uranium enrichment program.

In response to South Korean criticisms, the PRC Foreign Ministry spokesman on Feb. 24 reaffirmed China’s “constructive” role in Korean denuclearization, stating, “As a permanent member of the UN Security Council and a responsible player in the international community, China always supports denuclearization on the peninsula as well as peace and stability in northeast Asia.” On the sidelines of China’s annual session of the National People’s Congress in early March, Foreign Minister Yang acknowledged that “how and when [Six-Party Talks] can be resumed demands further exchange of views,” while noting the importance of the September 2005 Joint Statement for maintaining regional exchanges and stability.

China’s diplomatic exchanges with DPRK counterparts waned during the first few months of 2011 after having surpassed the number of high-level exchanges with the ROK for the first time in over two decades in late 2010. This year marks the 50th anniversary of the signing of the Treaty of Friendship, Cooperation and Mutual Assistance, for which the two countries have pledged to engage in a series of commemorative activities. Chinese State Councilor and Minister of Public Security Meng Jianzhu met DPRK leaders in Pyongyang on Feb. 13-14, including Kim Jong Il; Kim Yong Nam, president of the Presidium of the Supreme People’s Assembly; Ri Yong Ho, chief of the Korean People’s Army General Staff and member of the Presidium of the Political Bureau of the Workers’ Party of Korea (WPK) Central Committee; and Ju Sang Song, minister of people’s security and member of the WPK Political Bureau, with whom Meng signed a bilateral cooperation agreement on behalf of their respective ministries on Feb. 13. Weeks

later, Ju was removed from his post with no clear explanation, leading to speculation that his departure was related to a more extensive transition connected with North Korea's political succession. *Xinhua* cited Meng's support for the China-DPRK traditional friendship and expectations of "inheriting the friendship, deepening communications and cooperation in various areas," while *Korean Central News Agency* on Feb. 14 quoted Meng's hopes for a "successful solution of the issue of succession," the first public statement by a Chinese Cabinet member in support of a smooth leadership transition in Pyongyang. DPRK top legislator Kim Yong Nam held talks with PRC Vice Foreign Minister Zhang Zhijun in Pyongyang on Feb. 21, during which Kim reportedly outlined North Korea's efforts in economic development and called on China to "make more achievements in promoting the scientific outlook on development as well as building socialism with Chinese characteristics," according to *Xinhua*.

China's renewed push for Six-Party Talks

Following the US and South Korean dismissal of China's proposal for emergency six-party consultations at the end of 2010, China secured South Korea's support of a three-step process for restarting Six-Party Talks as proposed by Wu Dawei during his meeting with Wi Sung-lac in Seoul on April 26, which includes: (1) inter-Korean nuclear talks, (2) US-DPRK dialogue, and (3) multilateral negotiations. This formulation has presented a dilemma for South Korea, given its emphasis on a North Korean apology for the *Cheonan* and Yeonpyeong incidents as a prerequisite for moving forward on inter-Korean relations. At the same time, South Korea does not want to be perceived as an obstacle to the resumption of efforts to achieve North Korea's denuclearization, and has at times suggested that North Korean acknowledgement of the nuclear issue as a legitimate issue in inter-Korean relations might be a sufficient basis upon which to move forward with Six-Party Talks. There have been mixed messages over the past few months from South Korean senior officials over the specific requirements for resumption of Six-Party Talks. Wu Dawei held follow-on talks with ROK National Security Adviser Chun Yung-woo in Seoul on April 29 to discuss ways to restart the talks, but no details of the discussion were disclosed.

Although some ROK officials have expressed Seoul's intention of not tying its desire for a North Korean apology for the provocations to the resumption of Six-Party Talks, in an interview with *Arirang News* on April 26, Foreign Minister Kim Sung-hwan stated, "We reiterate that the North-led military attacks on the warship *Cheonan* and Yeonpyeong Island will impact the Six-Party Talks in one way or another." Chinese and South Korean negotiators in Seoul on April 26 did not reach agreement on when and how to reengage Pyongyang, which seeks resumption of dialogue without preconditions. PRC nuclear envoy Wu Dawei did not provide assurances to his ROK counterpart based on his most recent dialogue with Kim Kye Gwan that Pyongyang would back the three-step proposal for restarting six-party negotiations. There is no means by which to address North Korea's uranium enrichment program as long as Beijing prefers to deal with the issue through Six-Party Talks while South Korea and the US prefer to start by addressing it at the UN Security Council. The PRC Foreign Ministry spokesperson made clear its position during Kim Sung-hwan's March 29th visit to Beijing, stating that, "The international community is greatly concerned over DPRK's uranium enrichment issue," while indicating that the issue should be solved within the Six-Party Talks framework.

Shoring up the China-ROK strategic cooperative partnership

China and South Korea have begun efforts to repair damage to the bilateral relationship over differences regarding North Korea by taking steps to expand political, economic, and cultural cooperation. Foreign Minister Kim Sung-hwan's three-day trip to Beijing in late March to meet PRC counterpart Yang Jiechi, Premier Wen Jiabao, and head of the party's international department, Wang Jiarui, was his first visit to China since taking office. The visit occurred in accordance with a bilateral agreement reached in 2010 to regularize high-level diplomatic exchanges. Hu Jintao and Wen Jiabao affirmed the relationship in meetings with ROK Prime Minister Kim Hwang-sik in April, expressing hopes for deepening "mutual political trust and strategic coordination." Prime Minister Kim also called for strengthening coordination through multilateral mechanisms such as the UN and G20. Wu Bangguo, chairman of the Standing Committee of the National People's Congress, stressed the need to strengthen exchanges between respective parliaments and political parties to promote mutual understanding. South Korea's appointment on April 21 of Lee Kyu-hyung, former ambassador to Russia and a career diplomat, as the new ambassador to China to replace Yu Woo-ik, represents a desire to strengthen cooperation with China following differences over how to deal with North Korea.

With a bilateral trade volume that is projected to reach \$300 billion by 2015, trade remains the primary foundation of the China-ROK partnership. Bilateral trade grew by 34 percent in 2009-2010 following a 16 percent decline in 2009. Leaders from the two countries have identified telecommunications, shipbuilding, finance, logistics, high technology, energy, and environment as high growth sectors. Chinese leaders continue to express support for a bilateral free trade agreement. The year 2012 will mark "Visit Korea Year" and the 20th anniversary of the establishment of diplomatic ties, for which the two sides have pledged to intensify cooperation in education, culture, tourism, and people-to-people exchanges. South Korea has gained Chinese support for the 2012 World Expo in Yeosu and the 2014 Asian Games in Incheon.

China-ROK trilateral cooperation with Japan

The impasse in DPRK denuclearization has not prevented China and South Korea from moving forward in promoting trilateral cooperation with Japan on a broad range of issues in preparation for the 4th China-ROK-Japan summit in May. A week after its devastating earthquake, Japan hosted as planned the fifth trilateral Foreign Ministers Meeting between Yang Jiechi, Kim Sung-hwan, and Matsumoto Takeiki in Kyoto on March 19, where the top agenda items included disaster management and nuclear safety. Trade Ministers Chen Deming, Kim Jong-hoon, and Kaieda Banri held three-way talks in Tokyo on April 24 focused on the economic impact of Japan's earthquake and a potential free trade agreement, for which the fourth joint feasibility study meeting was held in Jeju on March 30-April 1. Japan also hosted Culture Ministers Cai Wu, Yu In-chon, and Takaki Yoshiaki for the third China-ROK-Japan Ministerial Conference on Culture in Nara on Jan. 19, which produced the "Nara Declaration" for strengthened cultural cooperation under the trilateral "Vision 2020" forged in 2010. PRC Minister Cai provided five proposals for long-term trilateral cultural cooperation: (1) institutionalization of cultural exchange, (2) cooperation in cultural industries, (3) youth cultural exchange, (4) nontraditional cooperation, and (5) cooperation in the protection of cultural heritage. Cai held separate talks with ROK counterpart Yu In-chon on Jan. 18 in Nara, where both sides recognized cultural

exchange in various areas as an important part of the bilateral strategic partnership. On April 29 in Busan, ROK Environment Minister Lee Maanee, PRC counterpart Zhou Shengxian, and Japanese counterpart Kondo Shoichi held three-way talks on environmental issues, including discussion of countermeasures against natural disasters. The highest-level dialogue for environmental cooperation in the region, the meeting produced a joint statement pledging to strengthen cooperation in such common challenges as climate change, green growth, biodiversity, and dust and sand storms.

In one apparent sign of easing trade obstacles, the PRC Ministry of Commerce on April 8 lifted China's anti-dumping measures against cold-rolled stainless steel sheets imported from Japan and South Korea, restrictions that were first imposed in 2000. On the sidelines of China's annual parliamentary session in March, Foreign Minister Yang Jiechi expressed hopes for "greater strategic communication, political mutual trust and more practical cooperation in various fields" between the three countries. Yang emphasized the promotion of three-way free trade as a top priority, and highlighted the recycling economy, science and technology, environmental protection, and cultural exchanges as key areas for deepening cooperation. While trade remains the main driver for cooperation given China's economic significance to both South Korea and Japan, the three countries have committed to a comprehensive trilateral partnership that China has called an "important platform for the three countries to broaden common interests."

Chinese engagements in North Korea's troubled economy

According to Chinese Customs data, following the 4 percent decline in bilateral trade in 2009, China-DPRK trade reached a record high of \$3.5 billion in 2010, a 29 percent annual increase. The Korea International Trade Association continues to express concerns about South Korea's trade performance in North Korea relative to China's, indicating that inter-Korean trade fell from 91 percent of China-DPRK trade in 2007 to 55 percent by the end of 2010. DPRK exports to China increased by 51 percent to \$1.2 billion in 2010, led by iron ore, coal, and copper. PRC exports to the North increased by 21 percent to \$2.3 billion, with wheat and oil supplies reportedly helping to ease chronic shortages. In early January, local Chinese traders reported efforts by DPRK state-directed trading companies to sell steel to China in exchange for food, including rice, flour, and noodles, as well as construction materials. North Korean steel exports to China amounted to \$82 million between January and October 2010 according to the Korea Trade-Investment Promotion Agency. While the revival of China-DPRK commercial exchange appears to satisfy North Korea's food deficit, it continues to challenge the efficacy of international sanctions. South Korean media has linked China's trade with the North to efforts to manage North Korea's domestic situation, noting the importance of Chinese economic support for satisfying Kim Jong-il's goals of raising people's livelihoods by 2012 and successfully implementing succession. Further complicating the issue is the difficulty of distinguishing China's aid and trade interests. After Beijing's release of its white paper on foreign aid, PRC Vice Commerce Minister Fu Ziyang at a press conference on April 26 detailed China's aid to the North for the first time, recognizing North Korea as a major focus of Chinese overseas aid efforts over the past 60 years, and stating that while China has supported Pyongyang's public infrastructure development, no cash has been provided.

Some analysts worry that North Korea is selling its most valuable resources to China too cheaply, focusing on increases in DPRK mineral exports to China this year after North Korea lifted restrictions on mineral exports (imposed in 2007) from the second half of 2010 reportedly to accommodate an increase in rice and corn imports. Chinese Customs data indicated that in 2010 coal imports from North Korea increased by 54 percent and iron ore imports doubled. According to South Korean reports, officials of the DPRK Joint Venture and Investment Guidance Bureau and the PRC Commerce Ministry met in mid-February to discuss an agreement on joint development of underground resources, including North Korea's Musan mine and other rare-earth mines. Reported developments in rail and road infrastructure in the border region have reinforced speculation about Chinese plans in North Korean resource development.

A focal point of attention and concern among some South Koreans has been the impact of Chinese provincial economic reform plans on North Korea's Rajin-Sonbong (Rason) special economic zone, where current development plans are aligned with a new initiative on the Chinese side from late 2009 to promote its own "Chang-ji-tu Reform and Development Zone" in Jilin. The ROK media in early January reported on a Chinese state company's agreement on Dec. 20, 2010, to invest \$2 billion in North Korea's Rason free trade zone, a "strategic joint project" that aims to build Rason city into a major industrial zone in Northeast Asia in 10 years, pending approval from the North Korean government. Such reports were followed by speculation on the stationing of Chinese troops in Rason city to protect Chinese-invested port facilities; the PRC Foreign Ministry firmly refuted these claims on Jan. 17. South Korea's *Chosun Ilbo* in February highlighted new developments in Rajin-Sonbong, including Beijing's plans to supply electricity to the area from April and the establishment of an economic mission there to handle potential conflict with DPRK authorities. Meanwhile, North Korea reportedly was easing traffic, communication, and customs obstacles to Chinese business activities. Under an agreement with Russian and DPRK counterparts, China reportedly launched a visa-free tour package for Chinese tourists in April beginning from Hunchun port city going through cities of the Russian Far East and North Korea's Rajin-Songbong special economic zone. Although Chinese involvement in the zone appears limited given continued mutual mistrust and tensions between traders and public security officials, Rason is regarded as an important potential source of foreign capital in the face of international sanctions and the loss of South Korean investment and aid. Rason also has potential strategic significance as a major potential export base for China, serving markets in Japan and Southeast Asia as well as domestically in South China.

China's investment in Rajin-Sonbong partly serve Chinese domestic needs, as evidenced by a major inter-provincial shipment of coal last December from Jilin to Shanghai through Rajin port. On Jan. 3, *Xinhua* and local Jilin media confirmed that China transported 20,000 tons of coal from a Jilin mine through Rajin-Sonbong port to Shanghai and Ningbo since Dec. 7, 2010, testing for the first time China's long-term desire to secure a cost-efficient, East Sea route to transport Northeast China's coal, used mainly for heating homes in South China during winter. According to Chinese Customs data, North Korea exported almost 41 million tons of coal to China between January and November 2010, and total coal exports to China amounted to \$340 million that year. The coal industry is a major focus of Pyongyang's economic and political elites and was among the country's four "vanguard industries" named in North Korea's New Year's Joint Editorial in January, in addition to power, steel, and railways. While exports to China provide North Korea with foreign capital, increased coal production boosts domestic

output in North Korea's electrical power plants, although media reports have indicated worsening shortages in electricity supply and heating in Pyongyang.

Conclusion: moving from inter-Korean to Six-Party Talks?

The events of 2010 have arguably heightened contradictions in China's interests on the Korean Peninsula. China's top leadership has affirmed the objective of short-term stability on the peninsula, even at the cost of defending North Korea against international outrage resulting from North Korea's provocations against the South. Beijing has pursued a strategy of denial in both senses of the word: denying consideration of North Korea's enriched uranium program at the UNSC while also denying to itself the potential dangers of allowing North Korea's current leadership to pursue a diplomatic and political strategy designed to support political succession that instead foments instability. The cost of such a strategy has been a more hard-nosed attitude on the part of South Korea as it views the unwillingness of its China to attribute commensurate political importance to the level and density of its economic ties with South Korea. Apparently, Chinese leaders believe that they can afford to take economic relations with South Korea for granted when developing North Korean policies. There is little evidence that this judgment is incorrect, considering the continued vitality of China-ROK economic relations despite political difficulties over North Korea.

China's influence over the Korean Peninsula is bound to increase as its economic, political, and military power continues to grow. At present, China does not have the capacity to independently shape developments on the Korean Peninsula, but it not unreasonable for Chinese strategists to conclude that it is a suitable strategy to buy time while Chinese influence in both North and South Korea continues to grow. For the near term, however, China's efforts to coax the two Koreas toward a stable relationship as a step toward reconstituting the Six-Party Talks are unlikely to succeed. First, China's own political influence over North Korea remains limited, as evidenced by China's inability to convince Pyongyang to return to the denuclearization path despite its growing investment in the relationship. Second, China's persuasive influence with South Korea and the US on North Korean issues has waned as a result of China's active efforts to protect North Korea rather than cooperating to implement international resolutions condemning North Korea's nuclear development. Third, the Six-Party Talks themselves may have been dealt a mortal blow with the surfacing of North Korea's enriched uranium program alongside its plutonium-based nuclear weapons development efforts, given the difficulties of implementing an independent means of verifying North Korea's activities without relying on the North Koreans for correct information. This circumstance leaves the profound challenge of managing North Korea as a de facto nuclear weapons state, the absence of consensus on what to do about it, and a division over the issue that separates China ever more deeply from the US and South Korea, which serves North Korea's interests to a greater extent than those of any other party. China's examination of its own equities on the Korean Peninsula, in combination with developments in China-US relations, will likely shape the next steps in this continuing challenge of how to deal with North Korea.

Chronology of China-Korea Relations January – April 2011

- Jan. 1, 2011:** *Xinhua* reports on international praise on PRC efforts on the Korean Peninsula.
- Jan. 12, 2011:** PRC Vice Foreign Minister Cui Tiankai at a briefing on President Hu Jintao's upcoming trip to the US calls for the early resumption of Six-Party Talks.
- Jan. 12, 2011:** PRC Ambassador to the US Zhang Yesui in an online interview with *Xinhuanet* calls for the resumption of Six-Party Talks as the "optimum platform" for the denuclearization of the Korean Peninsula.
- Jan. 14, 2011:** Vice Foreign Minister Cui affirms that maintaining peace and stability on the Korean Peninsula is in the interests of parties concerned in the region.
- Jan. 14, 2011:** The PRC Ministry of Public Security and ROK Supreme Prosecutor's Office sign a memorandum of understanding on criminal law enforcement.
- Jan. 16, 2011:** Assistant Foreign Minister Hu Zhengyua in an interview with *Xinhua* pledges that China remains committed to playing a "constructive role" in Korean Peninsula issues.
- Jan. 17, 2011:** President Hu in a written interview with the *Wall Street Journal* and *Washington Post* calls for dialogue on the Korean Peninsula situation.
- Jan. 17, 2011:** PRC Foreign Ministry spokesperson refutes as "sheer fabrication" a *Chosun Ilbo* report on Chinese plans to dispatch troops in North Korea's Rason city.
- Jan. 18, 2011:** China, Japan, and South Korea issue a joint statement supporting ASEAN's five-year tourism strategic plan after the 10th ASEAN+3 tourism ministerial meeting in Phnom Penh.
- Jan. 18, 2011:** PRC Foreign Ministry spokesperson stresses the importance of China-Japan-ROK trilateral cooperation.
- Jan. 19, 2011:** China-Japan-Korea Ministerial Conference on Culture is held in Nara, Japan.
- Jan. 20, 2011:** ROK Foreign Ministry spokesperson states that the South Korean government "positively evaluates" the Jan. 19 Obama-Hu summit.
- Jan. 21, 2011:** PRC Foreign Ministry spokesperson expresses China's support for proposed inter-Korean military talks.
- Feb. 10-11, 2011:** ROK Six-Party Talks Envoy Wi Sung-lac meets Vice Foreign Minister Zhang Zhijun and Special Representative for Korean Peninsula Affairs Wu Dawei in Beijing.
- Feb. 13-14, 2011:** PRC State Councilor and Minister of Public Security Meng Jianzhu visits Pyongyang and meets Kim Jong Il, President of the Presidium of the Supreme People's

Assembly Kim Yong Nam, member of the Presidium of the Political Bureau of the WPK Central Committee and Chief of the Korean People's Army's General Staff Ri Yong Ho, and Minister of People's Security and member of the WPK Central Committee Political Bureau Ju Sang Song. PRC and DPRK security ministries sign a bilateral cooperation agreement.

Feb. 20, 2011: Vice Foreign Minister Zhang Zhijun visits Pyongyang to meet Kim Yong Nam.

Feb. 20, 2011: Chinese fishermen recover a ROK fishing boat in waters off east China.

Feb. 23-24, 2011: PRC Foreign Minister Yang Jiechi visits Seoul to meet President Lee Myung-bak and expresses support for inter-Korean dialogue and early resumption of Six-Party Talks.

Feb. 24, 2011: PRC Foreign Ministry spokesperson reaffirms China's constructive role in Korean denuclearization in response to reports that China blocked the release of a UN expert panel report on the nuclear issue.

March 7, 2011: PRC foreign minister on the sidelines of the annual session of the National People's Congress calls for an early restart of Six-Party Talks.

March 19, 2011: The fifth China-ROK-Japan Foreign Ministers Meeting is held in Kyoto.

March 28-30, 2011: Foreign Minister Kim Sung-hwan visits China and meets Premier Wen Jiabao, Foreign Minister Yang, and Wang Jiarui, head of the party's international department.

March 30-April 1, 2011: South Korea, China, and Japan hold their fourth joint feasibility study meeting in Jeju, Korea on a trilateral free trade agreement.

April 5, 2011: The PRC Embassy in the DPRK holds memorial ceremonies for Chinese Peoples' Volunteers martyrs.

April 8, 2011: The PRC Ministry of Commerce announces the lifting of anti-dumping measures against cold-rolled stainless steel sheets imported from South Korea and Japan.

April 12, 2011: The PRC Foreign Ministry announces that Kim Kye Gwan, first vice foreign minister of the DPRK, paid a working visit to China and held separate talks with Vice Foreign Minister Zhang Zhijun, Foreign Minister Yang, and Special Representative for Korean Peninsula Affairs Wu Dawei.

April 11-15, 2011: A PRC labor delegation led by Zhang Mingqi, vice president of the All-China Federation of Trade Unions, visits North Korea at the invitation of the General Federation of Trade Unions of Korea. The delegation meets Choe Ryong Hae, secretary of the Central Committee of the Worker's Party of Korea on April 12.

April 13, 2011: Premier Wen Jiabao and top legislator Wu Bangguo meet ROK Prime Minister Kim Hwang-sik in Beijing.

April 14, 2011: President Hu Jintao meets Prime Minister Kim Hwang-sik in Sanya, Hainan province on the sidelines of the Boao Forum for Asia.

April 19, 2011: PRC Foreign Ministry spokesperson calls for the resumption of Six-Party Talks.

April 21, 2011: Lee Kyu-hyung is appointed new South Korean ambassador to China.

April 21, 2011: PRC Foreign Ministry spokesperson calls for creating conditions for the resumption of Six-Party Talks.

April 24, 2011: ROK, PRC, and Japanese trade ministers hold talks on trilateral free trade and regional economic cooperation in the aftermath of Japan's earthquake.

April 26, 2011: PRC nuclear envoy Wu Dawei meets ROK counterpart Wi Sung-lac in Seoul and agrees on South Korea's proposed three-step process for the resumption of Six-Party Talks.

April 26, 2011: PRC Foreign Ministry spokesperson reiterates China's call for a peaceful solution to the Korean Peninsula issue.

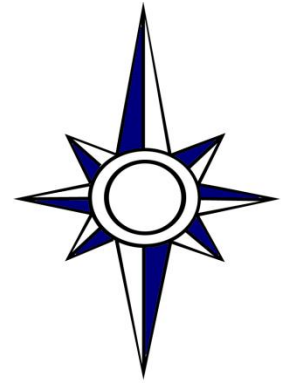
April 28, 2011: PRC Foreign Ministry spokesperson expresses support for inter-Korean and US-DPRK contact as part of the resumption of Six-Party Talks.

April 29, 2011: PRC nuclear envoy Wu Dawei meets ROK National Security Adviser Chun Yung-woo in Seoul.

April 29, 2011: PRC, ROK, and Japanese environment ministers hold trilateral talks in Busan.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



Japan-China Relations: Looking for Traction

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Old problems – the Senkaku fishing boat incident, the East China Sea, and China’s increasing maritime activities in waters off Japan – persisted in early 2011. Efforts by Japan to keep lines of communication open with China’s leadership included a visit to China by members of the Diet and Japan’s senior vice minister for foreign affairs at the end of January – the first high-level bilateral diplomatic engagement since the Senkaku incident. The China-Japan Strategic Dialogue resumed in Tokyo at the end of February. Less than two weeks later, the March 11 earthquake and tsunami hit Japan. China responded by providing emergency assistance and sending a rescue and medical team. Prime Minister Kan personally thanked China’s leadership and, in an article carried by the Chinese media, the Chinese people for their assistance, support, and encouragement. The *Asahi Shimbun* offered the hope that the crisis could serve as an opportunity for a fresh start in Japan’s relations with its Northeast Asian neighbors.

State of relations

In mid-January, China’s media greeted Prime Minister Kan Naoto’s Cabinet reshuffle with concern, observing that hawkish elements now occupied key posts, including the new Chief Cabinet Secretary Edano Yukio and Maehara Seiji retained as foreign minister. The new lineup suggested the possibility that the Kan government might take a harder line toward China. A public website under the auspices of the *People’s Daily* cited Edano’s remarks of October 2010 in which he called China a bad neighbor and continued with a story from a Tokyo-based journalist who observed that Kan holds very few personal opinions and that on many issues is swayed by the opinions of his Cabinet. Meeting with reporters on Jan. 14, Edano attempted to spin his earlier remarks, saying there are many countries, not only China, with which Japan does not have close relations and that in his new post he wanted to build good relations with Japan’s neighbors and structure win-win outcomes.

In his foreign policy address to the Diet on Jan. 24, Foreign Minister Maehara outlined the government’s approach to China. The policy objective was to deepen the mutually beneficial strategic relationship by promoting cooperation in areas such as resource development, the environment, and the East China Sea. Maehara also expressed concern over the buildup of China’s defense capabilities, its lack of transparency, and its increasing maritime activities. He

* The views expressed in this article are the views of the author alone and do not necessarily represent the views or policy of the National Defense University, the Department of Defense, or the U.S. government.

went on to call for China to become a responsible member of the international community and made clear that the Japan-US alliance is the “linchpin of Japan’s foreign policy and security.”

Appearing before the Lower House Budget Committee on Jan. 31, Prime Minister Kan and Foreign Minister Maehara responded to policy-related questions. Regarding China, Maehara said that the peaceful rise of China would be a plus for peace and stability in the Asia-Pacific region. To advance that cause, he said that he would “say what I need to say.” He went on to point out that China’s defense spending had increased in 20 of the past 21 years, but that he had “no idea of what they are using the money for.” He argued that telling China that it lacks transparency will result in a stronger relationship. He would continue to call on China “to ensure free navigation in the South China Sea and the East China Sea.” Japan would work to engage China while working with other countries that share common values.

Prime Minister Kan admitted that the government’s handling of the fishing boat incident had caused many to question how the Democratic Party of Japan (DPJ) was handling foreign policy. Still, he wondered whether China would “fulfill its obligations or strongly assert its position.” Japan needed to hold “honest discussions with China” and tell China that it “must play its role in Asia and the world.” In early February, Japanese media reported that Prime Minister Kan would launch a new advisory panel on Japan’s relations with China, which held its first meeting on Feb. 6. The panel is headed by former Kiedanren chairman Mitarai Fujio and comprised of senior business leaders, as well as former Ambassador to China Miyamoto Yuji and Tokyo University professor Takahara Akio.

On April 1, by Cabinet decision, the Kan government approved the 2011 Diplomatic Blue Book. Referencing the Senkaku ship incident and the resulting strains in bilateral relations as well as the North Korean attack on South Korea’s Yeonpyeong Island, the document stated that sources of uncertainty and instability mark Japan’s security environment. The Blue Book cited China’s military buildup and the People’s Liberation Army (PLA) Navy’s increasing maritime activities as sources of “concern” and urged Beijing to take steps to increase transparency.

Looking for traction

Efforts to re-engage China continued through the winter and early spring. With high-level diplomatic contacts mostly frozen, political leaders worked to keep contact alive.

At the end of December 2010, Hayashi Yoshimasa, deputy chairman of the Liberal Democratic Party’s (LDP) Policy Research Council, led a delegation of Diet members of the non-partisan “Parliamentary Union for Japan-China Friendship” to Beijing. They met Li Yuanchao, head of the Organization Department of the Communist Party’s Central Committee and other Chinese officials. Li told the Japanese legislators that “we are grateful for the work of Diet members for the strengthening of bilateral friendship.” In reply, Hayashi observed that “the current state of the Japan-China relationship is one of a mutually damaging tactical relationship. This needs to be returned to a mutually beneficial strategic relationship.” Earlier, in mid-December, New Komeito leader Yamaguchi Natsuo traveled to Beijing and met Vice President Xi Jinping.

On Jan. 11, Kato Koichi, former secretary general of the LDP and chairman of the Japan-China Friendship Association, accompanied by the LDP's Takeshita Wataru and the New Komeito's Tomita Shigeyuki and independent legislator Tsujimoto Kiyomi, began a three-day visit to Beijing. The delegation met senior political and government officials, including State Councilor Dai Bingguo and Wu Dawei, China's lead negotiator in the Six-Party Talks. Afterward, Kato told reporters that Dai, in reference to the September fishing boat incident, had said "we must examine where the problems lay."

At the end of January, Senior Vice Foreign Minister Banno Yutaka and Sugiyama Shinsuke, director general of the Asian and Oceanic Affairs Bureau, traveled to Beijing and met Vice Foreign Minister Zhang Zhijun and other Chinese officials. The two sides agreed to resume the Japan-China strategic dialogue. Banno's visit to China was the first by a senior vice foreign minister since the September fishing boat incident.

In connection with the Japan-China Strategic Dialogue, which resumed in Tokyo on Feb. 28, Foreign Minister Maehara met Vice Minister Zhang Zhijun separately at the Foreign Ministry and they agreed to take steps to improve bilateral relations. After the meeting, Zhang told reporters "we discussed ways to make this year a year in which we improve and advance our bilateral relations." On April 22, a supra-party delegation of Diet members, belonging to the Japan-China Friendship League and led by former Foreign Minister Machimura Nobutaka announced that it planned to visit China for three days beginning May 5.

Security

On Dec. 30, the *Yomiuri Shimbun* reported that Japan's Ministry of Defense would begin intensive feasibility studies on the introduction of unmanned reconnaissance aircraft in FY 2011 to enable the SDF to monitor developments in North Korea and Chinese naval activities in waters near Japan. These studies will address a requirement outlined in Japan's new National Defense Program Guidelines, which called attention to the need to strengthen the defense of Japan's southwestern islands and the Mid-Term Defense Plan, which calls for deployment of Ground Self-Defense Force coastal surveillance units to the islands.

On Jan. 4, the *Sankei Shimbun* reported that Japan's Coast Guard (JCG) had decided to strengthen its mandate for policing Japan's territorial waters to deal with unexpected contingencies, such as the September fishing boat incident. The *Sankei* reported that an expert panel on policing territorial waters set up by Land and Transport Minister Mabuchi Sumio was considering amending the law to provide the JCG with legal authority to stop poaching fishing boats and to coordinate activities with the Maritime Self-Defense Force (MSDF). The Jan. 13 *Tokyo Shimbun* reported that the MSDF was formulating a new strategy toward China based on the National Defense Program Guidelines that focused on the triangular area connecting Tokyo, Guam, and Taiwan. The reported objective of the strategy is to strengthen surveillance capabilities in the area with a particular focus on People's Liberation Army (PLA) Navy submarine activities.

On Jan. 20, Japanese and Chinese diplomats and defense officials, led by Vice Foreign Ministers Sasae Kenichiro and Zhang Zhijun, met in Beijing to resume the Japan-China Security Dialogue,

the first meeting since March 2009 and the 12th in the series. The Japan-China Strategic Dialogue resumed Feb. 28 in Tokyo, the first since June 2009. Vice Minister Sasae Kenichiro led the Japanese team and Vice Minister Zhang Zhijun led the Chinese side. Issues on the agenda included steps to reinforce the mutually beneficial strategic relationship, the promotion of exchanges, and preparations to mark the 40th anniversary of the normalization of diplomatic relations in 2012.

On Jan. 27, a plenary session of the Diet met to question Prime Minister Kan on his policy address. During the session, Kan reiterated concerns with China's rapid military modernization and the development of power projection capabilities in waters near Japan. He said that Japan "will pay close attention to Chinese military moves and through our dialogues and exchanges in the security area we will positively work with China to increase the transparency of its defense policy." Earlier, during a Jan. 21 press conference, Foreign Minister Maehara called on China "to take steps to clarify the aim of its military buildup and enhance the transparency of its military spending as a responsible country."

Senkakus/Diaoyu

The Kan government, responding to an October 2010 petition from the Ishigaki city government to allow municipal officials to survey the islands for tax and environmental purposes, denied permission to land on the islands on Jan 7. (The Japanese government leases and manages the four privately owned islands.) Tokyo explained its decision by stating that "the government comprehensively took into account its lease purpose to maintain and manage the islands peacefully and stably." On Jan. 13, the LDP's Ishiba Shigeru introduced a resolution calling on the government to take steps to assert Japan's effective sovereignty over the island to include landing on the islands and the conducting of surveys. The day before, a senior official of China's Maritime Safety Administration, Fang Jianmeng told *Xinhua* that China intended to build 36 new surveillance ships beginning in 2011, among them 22 would be large ships over 1,000 tons in weight. By June 2011, China will have completed building a total of 47 surveillance ships, including 26 over 1,000 tons. Fang told the news service that "when considering the need to protect our coastline of 32,000 kilometers and the escalating strife over maritime rights and interests, we think this number is insufficient."

The conflict over the Senkaku/Diaoyu Islands continued to cloud bilateral relations. Although Japanese prosecutors dropped charges against the Chinese captain involved in the fishing boat incident, Japan maintained its claim for compensation, which Chinese Foreign Ministry spokesperson Ma Zhaoxu dismissed in a Feb. 12 statement by asserting the islands are "an integral part of Chinese territory." On Jan. 27, the JCG reported that a Chinese patrol boat, the *Yuzheng 201*, had been observed just outside Japan's territorial waters and warned it against entering Japanese waters. The Chinese ship responded by asserting that the "Diaoyu Islands are an integral part of Chinese territory. We are conducting legitimate operations." On March 5, the JCG spotted the *Yuzheng 202* just outside Japanese waters. Two JCG ships radioed the Chinese ship to avoid entering Japanese waters. Meanwhile, Chinese Maritime Safety Administration (MSA) surveillance ships continued to patrol the area, staying just outside Japan's territorial waters. JCG ships and aircraft operating from Naha have recorded eight such Chinese patrols since the September incident, and a total of three in March. On March 7 and again on March 26,

a Chinese helicopter operating from an MSA ship buzzed a MSDF ship in international waters in the East China Sea, setting off a protest from Tokyo. The Chinese Foreign Ministry replied that the helicopter was following proper procedures, acting in accordance with international law, and had maintained proper operating distance from the MSDF ship.

East China Sea

On March 7, the Ministry of Defense reported that a Chinese helicopter had buzzed the MSDF destroyer *Samidare* in the East China Sea gas field. Tokyo protested the incident as a “dangerous act.” The Ministry reported that the Chinese helicopter had approached as close as 70 meters to the Japanese destroyer, 20 meters closer than the incidents of April 2010.

Earlier on March 2, the Air Self-Defense Force (ASDF) radar spotted two Chinese military airplanes flying toward Japan’s southwestern islands. The ASDF scrambled two fighters and the Chinese planes turned away. Defense Ministry sources, however, said that for the first time Chinese planes had crossed the mid-line boundary in the East China Sea and approached the Senkakus. Addressing the incident at a press conference, Chief Cabinet Secretary Edano told reporters that Japan had not protested because the Chinese planes had not violated Japanese air space. Nevertheless, Edano took the occasion to call attention to China’s increasing military activities and insufficient transparency as matters of concern.

On March 8, Song Enlai, a senior official of the China National Offshore Oil Corp. (CNOOC) indicated that China was at the production stage in the Chunxiao (Shirakaba) gas field in the East China Sea. Although unilateral action in the gas fields would run counter to the Japan-China agreement on joint development, the official told the *Asahi Shimbun* that “oil is being produced.” A day earlier, China’s Foreign Minister Yang Jiechi had taken a positive stance toward concluding a bilateral treaty on joint development.

In Tokyo, Foreign Ministry officials told a meeting of the LDP that high-level Chinese officials had told Japan that China was engaged only in “maintenance and repair” operations, not drilling and production. The officials also said that Japan, which was actively monitoring the gas field area, could not confirm the *Asahi* report. Chief Cabinet Secretary Edano called the CNOOC report “very regrettable” and told reporters that Japan was seeking official verification from Beijing. Beijing denied the accuracy of the *Asahi* story.

Official development assistance

Gross Domestic Product (GDP) figures released in Beijing on Jan. 20 confirmed that China had surpassed Japan as the world’s second largest economy in 2010. This reality intensified the debate over Japan’s Official Development Assistance (ODA) program for China. New yen loans to China ceased in FY 2007 however, the Foreign Ministry looked to continue ODA efforts to support environment and exchange programs. In the previous fiscal year, grant aid and technical cooperation in the fields of the environment and energy conservation amounted to 1.3 billion yen and 3.3 billion yen respectively.

Before his return to Tokyo for consultations, Ambassador Niwa Uichiro spoke with Japanese media on Feb. 28 and made the case for a continuation of Japan's ODA program. The ambassador recognized that an increase in ODA to support infrastructure projects had little support. Nevertheless he thought that continuation of an ODA program, focused on environmental technology and youth exchanges, would redound to Japan's benefit. He noted that, in December, he had proposed that the Foreign Ministry strengthen the program as a step toward restoring Japan-China relations.

Foreign Minister Maehara, however, was focused on putting the axe to the ODA budget for China. On March 4, he told a meeting of the Upper House Budget Committee that given Japan's "very severe" economic situation and the fact that China had surpassed Japan as the world's second top economy, "it is completely inconceivable for Japan, which has been outranked, to increase ODA." The Fukushima earthquake/tsunami ended the debate on ODA.

Business and economics: rare earth metals

At the end of December, China announced that it would cut rare earth metal exports by 35 percent for the first half of 2011 to approximate 14,000 tons from 30,000 tons in 2010. Minister of Economy, Trade and Industry Ohata Akihiro told reporters that the "quota was decided roughly in the form we had in mind." Japan's trading companies had a mixed reaction to the announcement; one executive expressed concerns that the expected shortfall of approximately 11,300 tons could actually be greater because of Chinese government pressures on suppliers to hold back on exports, while another took the view that the announcement was not a worst-case scenario because the quotas for the first half of 2011 were actually greater than the quotas for the last six months of 2010.

On March 7, on the sidelines of the National People's Congress, China's Commerce Minister Chen Deming suggested that Japan and China should cooperate to develop alternatives to rare earth metals and methods of recycling. The next day, Japan's Minister of Economics, Trade and Industry Kaieda Banri suggested a cautious approach, telling reporters that "we should decide our stance after figuring out China's intention."

On March 24, *Xinhua* reported that China's Ministry of Finance and the State Administration of Taxation would impose a tax on rare earth producers beginning April 1. Zhang Zhong, general manager of China's leading rare earth producer, Inner Mongolia Baotou Steel Rare-Earth Hi-Tech Co., estimated that the tax would increase production costs by 720 million *yuan* per year.

Fukushima aftermath

On the evening of March 14, Premier Wen Jiabao met with reporters at the closing news conference of the National People's Congress and expressed his sympathies for the Japanese victims of the earthquake/tsunami. Citing Japan's rescue and relief support for China following the 2008 Chengdu earthquake, he expressed his intention to support relief efforts for Japan. China's *Environmental Times* reported 83 percent of respondents to an internet poll supported China extending assistance and the Japanese embassy reported Chinese postings of encouragement and sympathy on a blog that it had opened. To assist in recovery operations,

China dispatched an emergency rescue team to the stricken area, where it operated between March 13-20, along with emergency relief supplies of gasoline, tents, and clothing. The Foreign Ministry also issued an evacuation advisory to Chinese citizens resident in northern Japan.

On April 11, State Councilor Dai Bingguo met Sasamori Kiyoshi, special advisor to the Japanese Cabinet, who transmitted a letter from Prime Minister Kan to President Hu Jintao thanking the Chinese people for their support and assistance. The following day, Kan held a 35-minute telephone conversation with Premier Wen to thank him for China's assistance. Wen is reported to have replied that he hoped the effort would support the development of bilateral relations. According to Chinese diplomatic sources, Wen also asked Japan to give a high degree of consideration to the impact of the incident both on the ocean environment and on Japan's neighbors and that Japan act in strict accord with international law in dealing with the incident. On April 21, Chinese newspapers carried a message from Kan thanking the Chinese people for their support, assistance and encouragement.

The April 10 *Asahi Shimbun* offered the hope that the crisis would serve as an opportunity for neighboring countries to improve relations with Japan. The story observed that there appeared to be a change in the way China had responded to heretofore pressing issues, noting that Chinese protests on Japan's new high school history text books, which asserted Japanese sovereignty over the Senkakus, were made at the working level and that various Chinese officials had expressed their interest in wanting to contribute to Japan's recovery and their belief that the crisis offered the opportunity to advance cooperation.

Meanwhile, Beijing took steps to prohibit the import of foodstuffs and agricultural products from Japan. On April 12, the Foreign Ministry spokesperson, noting that Japan had upgraded the "severity of its nuclear leakage to level 7," called on Japan to take measures that "will effectively ease the situation and ...update the rest of the world on the situation of nuclear leakage in a timely, comprehensive and accurate manner." On April 21, the Japanese Embassy in Beijing, in an attempt to dispel rumors, held an open forum to report on steps taken to address the crisis. During a trilateral Japan-China-South Korea meeting held in Tokyo on April 24, the Japanese government failed to persuade the neighboring government to ease the restrictions on food imports from Japan.

Chronology of Japan-China Relations January – April 2011

Jan. 5, 2011: First meeting of a Japanese government panel to consider strengthening laws to protect against disclosure of classified information by government officials. Strengthening of territorial sea law is also under review to allow Japan Coast Guard (JCG) to react swiftly to intrusions into Japan's territorial waters.

Jan. 6, 2011: Honda Corp. announces 2010 sales in China increased 12.2 percent over 2009 to 646,631 units.

Jan. 6, 2011: China and Japan hold first antiterrorism dialogue in Beijing.

Jan. 7, 2011: Japanese government denies Ishigaki city government permission to land on and survey Senkaku Islands for environment and tax purposes.

Jan. 10, 2011: Nissan Corp. announces 2010 sales in China increased 35.5 percent over 2009 to 1,023,600 units. China is now Nissan's largest market.

Jan. 11-12, 2011: Former Liberal Democratic Party (LDP) Secretary General Kato Koichi leads parliamentary delegation to China and meets State Councilor Dai Bingguo and diplomat Wu Dawei, China's lead negotiator in the Six-Party Talks.

Jan. 11, 2011: Taiwan's Ministry of Transportation and Communication releases data showing that in 2010 China displaced Japan as top source of tourists to Taiwan.

Jan. 13, 2011: LDP's Ishiba Shigeru introduces resolution calling on the government to take steps to assert sovereignty over the Senkakus, including landing on and surveying the islands.

Jan. 14, 2011: Senkakus Day is celebrated in Ishigaki city, Okinawa.

Jan. 14, 2011: Prime Minister Kan Naoto reshuffles Cabinet; Maehara Seiji retained as foreign minister and Edano Yukio becomes chief Cabinet secretary.

Jan. 20, 2011: Beijing releases 2010 gross domestic product (GDP) data confirming that China is now the world's second largest economy, surpassing Japan.

Jan. 20, 2011: China-Japan Security Dialogue is held in Beijing.

Jan. 21, 2011: Japanese prosecutors drop charges against the captain of Chinese fishing trawler involved in the Sept. 7, 2010 incident.

Jan. 24, 2011: Foreign Minister Maehara makes policy address to the Diet.

Jan. 25-28, 2011: Japan's Senior Vice Minister for Foreign Affairs Banno Yutaka visits China, the first visit by a senior vice minister since the Senkaku incident.

Feb. 2, 2011: *Yomiuri Shimbun* reports that Japan briefed China on contents of Japan's new National Defense Program Guidelines on Dec. 16, the day before public release of the document, to demonstrate Japan's transparency.

Feb. 14, 2011: Former JCG officer Masaharu Isshiki, responsible for the leak of JCG Senkakus video, speaks at Foreign Correspondents Club of Japan, expressing concern that foreign countries are invading Japanese territory.

Feb. 17, 2011: *Asahi Shimbun* reports there are more than 50,000 Japanese residing in Shanghai.

Feb. 21, 2011: Japan's Supreme Court denies appeal for 150 million yen in damages filed by Chinese workers for being forcibly brought to Japan as laborers during World War II. Court cites the 1972 Joint Communiqué in which China waived rights of individuals to pursue damages.

Feb. 25, 2011: *Sankei Shimbun* reports that a Chinese company, Huawei Japan, has become a member of Keidanren.

Feb. 25, 2011: NEC Corp. announces agreement to cooperate with Chinese partner Tianma Micro in the production of liquid crystal display (LCD) units.

Feb. 28, 2011: China-Japan Strategic Dialogue resumes in Tokyo.

Feb. 28, 2011: Japan's Ambassador to China Niwa Uichiro calls for continuation of the Official Development Assistance (ODA) program for China.

March 1, 2011: Deputy President of DPJ Sengoku Yoshito meets China's Vice Foreign Minister Zhang Zhijun in Tokyo; Zhang invites Sengoku to visit China when time is appropriate.

March 2, 2011: Japan's Air Self-Defense Forces scrambles jets as Chinese aircraft enter Japan's air defense identification zone.

March 4, 2011: Foreign Minister Maehara rules out the continuation of ODA for China.

March 5, 2011: JCG ship observes Chinese Maritime Safety Administration patrol boat just outside Japanese waters and warns it against entering.

March 6, 2011: Foreign Minister Maehara resigns from his post.

March 7, 2011: Japan's Ministry of Defense reports that a Chinese helicopter had buzzed a Maritime Self-Defense Force (MSDF) destroyer in international waters in the East China Sea.

March 7, 2011: China proposes cooperation to develop alternatives to rare earth metals.

March 8, 2011: Senior official of China's National Offshore Oil Corp. tells *Asahi Shimbun* that oil is being produced in the East China Sea; China denies the accuracy of the report.

March 9, 2011: Matsumoto Takeaki is announced as the new foreign minister of Japan.

March 11, 2011: An earthquake measuring 9.0 on the Richter scale hits the Tohoku region of Japan resulting in a massive tsunami.

March 12, 2011: Ambassador Cheng calls at the Foreign Ministry and transfers funds for earthquake relief and recovery, citing Japan's support following the 2008 Chengdu earthquake.

March 13, 2011: China dispatches emergency rescue team to Japan; team returns March 20.

March 14, 2011: Premier Wen Jiabao expresses sympathies for victims of earthquake and tsunami; China sends gasoline, tents, clothing, and foodstuffs.

March 19, 2011: Foreign ministers of Japan, China and South Korea meet in Kyoto. Foreign Minister Matsumoto thanks counterparts for their assistance in tsunami relief and recovery.

March 21, 2011: *Kyodo* reports that Russian officials from Sakhalin have invited China to invest in an island located in Japan's Northern Territory.

March 24, 2011: Japan's Foreign Ministry, citing earthquake emergency, announces decision to postpone consideration of ODA program.

March 24, 2011: *Xinhua* reports China will impose tax on rare earth producers beginning April 1.

March 31, 2011: China's Foreign Ministry responds to Japan's new high school textbooks that assert Japanese sovereignty over the Senkakus by reasserting that China's claim is incontestable and efforts to try to change this reality will prove unavailing.

April 1, 2011: Kan government approves the 2011 Diplomatic Blue Book.

April 4, 2011: China Security Report (English translation) is released by Japan's National Institute for Defense Studies (NIDS).

April 11, 2011: Special advisor to Prime Minister Kan travels to China and transmits personal letter of thanks to President Hu Jintao for China's earthquake/tsunami relief.

April 12, 2011: Prime Minister Kan calls Premier Wen Jiabao to thank him for China's earthquake/tsunami relief contributions.

April 17, 2011: *Xinhua* reports the second successful test flight of China's stealth fighter.

April 19, 2011: Japanese independent panel concludes that captain of the Chinese fishing trawler involved in the Sept. 7 incident should have been indicted.

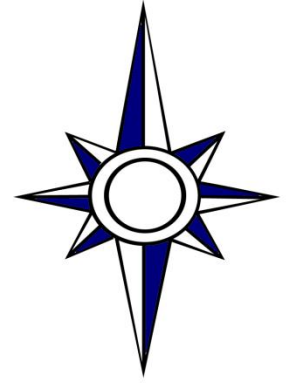
April 21, 2011: Japanese Embassy in Beijing holds open forum on the situation at Fukushima nuclear plant.

April 21, 2011: Chinese newspapers carry an open letter of thanks from Prime Minister Kan to the Chinese people.

April 23, 2011: Former State Councilor Tang Jiaxuan calls for China-Japan energy cooperation during China-Japan Economic Forum in Beijing.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



Japan-Korea Relations:

Japan's Tragedy Overshadows Everything

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The triple tragedy in Japan overshadowed all other regional events in the first four months of 2011. The earthquake, tsunami, and nuclear crisis in March riveted the world and shone a spotlight on a country that had long been seen as an economic powerhouse. The vivid images of the disaster area were a reminder that even the most developed of countries is subject to the random course of nature and caused many to wonder how the events would affect Japan and the region. As its closest neighbors, the tragedy provided opportunities for both Koreas to offer condolences and aid to Japan and led to some hope that a stronger relationship could emerge between Japan and the Korean Peninsula. However, the tragedies did not remove the difficult issues between Japan and its neighbors or fundamentally alter longstanding trends in the region. In fact, quite soon after the earthquake these old issues began reappearing. It remains to be seen whether and to what extent the Fukushima earthquake marks a new era in Japan and what effect that might have on Japanese foreign relations, but certainly in the short term the Japanese will be focused more internally than externally as they concentrate on recovery and rebuilding.

Japan-South Korea

Bilateral relations between Japan and the ROK at the beginning of 2011 displayed a level of energy that typically characterizes the beginning of the year. In January, South Korean reports on regional and global trends for the coming year, on the whole, highlighted the good and downplayed the bad. The Sejong Institute's *Current Issue and Policy* (January, 2011) noted the common security environment shared by the ROK and Japan and the respective alliances with the US in forecasting a pragmatic and constructive year for Japan-South Korea relations. As a counterweight, the Institute of Foreign Affairs and National Security (IFANS) released a more somber brief on Jan. 7, incorporating such emotive buzzwords as Dokdo/Takeshima and textbooks. In practice, there were several cross-issue bilateral meetings in January, with Japanese Minister of State for National Policy Gamba Koichiro meeting ROK Foreign Minister Kim Sung-hwan to renew talks on a bilateral free trade agreement (FTA), and Japanese Foreign Minister Maehara Seiji meeting ROK Unification Minister Hyun In-taek to parse issues regarding North Korea. These bilateral meetings were also nested in trilateral arrangements: the third Japan-China-Korea Ministerial Conference on Culture took place in mid-January, while the foreign ministers gathered for the fifth tripartite meeting in mid-March.

Leveraging strengths – creative economic and social interaction

Economically and socially, Japanese-South Korean interactions and interconnections continued to expand quite rapidly and in ways thought unlikely even a decade earlier. For example,

functional economic cooperation between Japan and the ROK continued throughout the first four months of 2011. The South Korean IT company LG CNS announced in January that it will establish a joint-venture company with Japan's SBI group, an investment and financial group, in a deal that LG CNS hailed on its website as the "first domestic case of convergence and collaboration between the finance of Japan and the IT of Korea." With the capital reserves of the joint company at \$6.03 million (490 million yen/6.691 billion won), LG CNS and SBI Group will hold 51 percent and 49 percent of the stakes, respectively. The headquarters will be in Tokyo, running under a joint-management structure with each partner appointing a director for the joint presidency.

On Jan. 25, the same day as the announcement of the new joint venture, the Korea-Trade Investment Promotion Agency (KOTRA) held its first investment seminar of the year in Tokyo. An official of KOTRA remarked that "this year's first investment seminar for foreign investors was arranged in Japan in a bid to take the 'new Korean wave' in Japan as leverage to attract investment and to relieve the anxiety of investors stemming from North Korea's recent bombing of Yeongpyeong Island."

The cities of Daegu and Kobe have continued collaboration on developing high-tech medical industry since signing a mutual cooperation agreement to jointly produce medical equipment back in July 2010. While Daegu has been designated as one of the two Korean med-tech hubs, Kobe is home to Japan's largest high-tech medical complex. In early January 2011, the Daegu Health and Medicine Association met with the Kobe High-Tech Medical Promotion Foundation RIKEN, a research center devoted to physical chemistry, to discuss a joint research project on new drug development. The official website of Daegu Metropolitan City highlighted the potential synergy between the ROK and Japan in exploring such natural ingredients as ginseng in developing drugs to treat dementia. Given that the UN Population Division (*The 2008 World Population Prospects*) predicts the population ratio of those over 60 years of age to be 40.8 percent in the ROK and 44.2 percent for Japan by 2050, drug development directly aimed at diseases associated with an aging society is a potential niche area for both countries. Concern with issues related to the aging population is palpable in both societies: on Feb. 14, the Korean Broadcasting System (KBS) aired a special documentary that focused on whether the ROK will follow in the statistical footsteps of Japan, while Japan's Research Institute of Economy, Trade, and Industry (RIETI) published a paper in March linking the problem of Japan's aging society to the quality of its workforce (see Shinada Naoki, "Quality of Labor, Capital, and Productivity Growth in Japan: Effects of Employee Age, Seniority, and Capital Vintage," *RIETI Discussion Paper Series* 11-E-036, March 2011).

Interestingly, collaboration has transcended the traditional business sectors. For instance, *Joongang Ilbo* reported in mid-April that Korea's Hallym University had signed a mutual agreement with the Korean branch of Japanese Renesas Electronics – Japan's largest, and the world's third largest semiconductor company. The agreement is aimed at facilitating the growth of human resources in the field of electronics. To that end, Renesas Electronics will provide textbooks, guidelines, and human resources for the university to open a course on Micro Controller Units (MCU) in the fall of 2011.

On the inter-societal level, *Dong-a Ilbo* reported in late January that the car ferry route between Korea's Gwangyang port and Japan's Shimonoseki Port had been reopened after 73 years. The route had been in operation during the Japanese occupation from 1912 to 1938. An official of Gwangyang City said "the two ports are distribution hubs of agricultural and fishery products in the southwestern Japan, and gateways to tourism in Kyushu," and added "the opening of the route between Gwangyang and Japan is expected to bring about big change in human exchange and trade with Japan, which have been mainly concentrated in Busan."

Bilateral amity reached a new peak in March when the earthquake and tsunami devastated Northern Japan. Immediately, the Korean media highlighted the fact that the five-member team from the ROK's National Emergency Management Agency was the first overseas rescue team to reach Japan – a day after the tragedy struck. *Yomiuri Shimbun* also covered South Korea's efforts in Japan, along with the March 19 meeting of the foreign ministers from the ROK, Japan, and China to discuss disaster response and nuclear safety, drawing lessons from the catastrophe.

Specifically, some of the mobilization sources for donations for alleviating the disaster are worth mentioning. *Yonhap News* announced that the Korean company LG U+ (formerly known as LG Telecom) had agreed to collaborate with the widely-acclaimed Japanese animation artist and creator of *Dragon Ball*, Toriyama Akira, in producing digitally-animated cell phone wallpapers. LG U+ promised to donate all money raised from the initiative as well as offering matching grants. Also, the rate for international text messaging to Japan was reduced 50 percent until the end of March and the company joined forces with World Vision to raise donations through Korea's Twitter equivalent, 'Wagle.' *Yonhap News* also reported on the joint fundraising plan in Korea by 15 different groups focused on historical reconciliation, including the Institute for Research in Collaborationist Activities. According to *Kyodo News*, Korean actor Bae Yong-joon – affectionately known as 'Yonsama' in Japan – donated 1 billion won (\$890,000) to the Japanese government's fund for earthquake relief. These efforts highlighted the ingenuity of raising money by leveraging the strengths of high-tech countries like South Korea and Japan.

Close to being *aligned*, yet far from being *allied*

It did not take long for the momentum of the New Year to wear off. Beginning in January, the Korean press created a stir over a *Yomiuri Shimbun* article claiming that the two countries were preparing a joint declaration – with enhanced military cooperation as its focus – to be signed when ROK President Lee Myung-bak visits Tokyo during the first half of 2011. There were immediate reactions from three different groups: the leadership, the public, and the media. While the Japanese seemed enthusiastic, South Koreans appeared to be more reluctant.

The stance by the Japanese officials was firm. Takahashi Kosuke, a *Jane's Defense Weekly* correspondent, quoted then Japanese Foreign Minister Maehara Seiji as suggesting Seoul should take the lead in moving toward tighter bilateral security cooperation, adding, "it is important for Japan to see South Korea move of its own accord to deepen bilateral security ties." While not denying the *Yomiuri* report, an unnamed Japanese defense ministry official told *Asahi Shimbun* that even providing logistical support to the South Korean military during a crisis on the Korean Peninsula would be "an issue to work on over the next 10 years."

The Korean government made sure to suppress any agitation created by the *Yomiuri* article. *Maeil Kyungjae* quoted a Blue House official saying that “the 90 percent of those wanting the ROK-Japan joint military exercise is from the Japanese side, while we [Korea] only occupy the remaining 10 percent.” The same article quoted a ROK Ministry of National Defense (MND) official as stating that bilateral negotiations on a General Security of Military Information Agreement (GSOMIA) and an Acquisition Crossing Supporting Agreement (ACSA) were just getting started, taking a low-key approach to the proceedings. *Chosun Ilbo* cited a very strongly worded statement from a Korean government official denying even the existence of negotiations, claiming that “enhanced bilateral military cooperation is merely an agenda on Japan’s wish list.”

The public in both countries diverged, but on a completely different level. The predominant sentiment in Korea ranged from negativity to caution. Civic groups held a rally at the ROK Defense Ministry in Yongsan, Seoul, not long after the confusion surrounding the bilateral military pact spread. According to *JoongAng Ilbo*, Kim Hwan-yeong, a representative of Peace Korea, a group of veterans, said: “Has there ever been once that the Japanese military regretted the atrocities that it committed during the 36 years of colonial rule? We have never felt that it is a different Japan from what it was.” Ultimately, the negativity or caution from the South Korean public hinged on three perceptual implications of what it meant to be engaged in such negotiations regarding state security: 1) confirmation of Japan’s past atrocities, 2) facilitation of future opportunities for Japan to ‘flex its militarism’ on the Korean Peninsula under pretexts of ‘contingencies,’ and 3) general worries over unnecessarily raising North Korea’s suspicions and irritating China. The last point, however, could cut both ways. Lee Myun-woo in a *Sejong Institute* commentary stated that the ‘ROK-Japan-US’ vs. ‘DPRK-China-Russia’ dichotomy is a result of North Korean provocations, which should not be aggravated by a military pact between the ROK and Japan. He encouraged the South Korean government to actively pursue the deal, claiming that South Korea needs to clearly distinguish between populism driven by emotions from practicality and stern leadership. A similar sentiment was evident in a small-n poll conducted online by *Chosun Ilbo*. Out of the 122 respondents, 75 percent supported the bilateral military pact, with 25 percent against it. The reason cited for the support was containment of North Korea and China.

Public sentiment in Japan was mixed. The interesting point was that none of the concerns or cynicism regarding the pact was directly aimed at South Korea. Comments attached to a Jan. 4 *Kyodo News* article on the subject ranged from “this is the beginning of an inevitable development expedited by North Korea’s actions and China’s behavior,” to “it is a very smart move on Japan’s part. A joint military pact with South Korea is far more realistic than continuing to be the pawn of USA,” to “now Japan and South Korea can integrate into one pawn of the USA. It’s easier for the US to manage.” The contention centered around the US, while South Korea was rarely mentioned.

The phrases used by the media were also quite telling. Korea’s *Maeil Shinmun* suggest that Koreans are not yet ready to surpass the stage of viewing Japan as ‘an accustomed/intimate enemy.’ *JoongAng Ilbo* opted for ‘a double-edged sword,’ referencing arguments about unresolved historical and territorial issues and the reinforcement of an oppositional ‘Cold War’ structure planting the US and China on different poles. The phrase of choice by *Chosun Ilbo* was ‘persistent courtship and wooing,’ as well as ‘lovecall’ to frame the debate in terms of Japan

being insistent on pushing through with the military pact. The Japanese media shied away from colorful metaphors. *Yomiuri Shimbun* did publish a favorable editorial on Jan. 12, urging both Seoul and Tokyo to proceed with negotiations and conclude the military pact.

Predictably, *Rodong Sinmun* labeled the January military talks between South Korea and Japan as a “new military conspiracy” and accused the ROK of “paving the way for Japan’s reinvasion,” and accused Japan of “working hard with bloodshot eyes to secure a legitimate pretext for its military overseas expansion.”

An April chill, the return of old issues

The goodwill displayed by South Korea toward Japan throughout March was hijacked by familiar problems. In the process, prospects for the military pact conspicuously fizzled out. At the end of March, Tokyo decided to approve middle school textbooks claiming sovereignty over the disputed islands of Dokdo/Takeshima. *Chosun Ilbo* noted that the number of textbooks claiming that Korea is illegally occupying the islets rose from one to four. In response, the chief of the Ministry of Foreign Affairs and Trade (MOFAT) Northeast Asia Bureau called in the Japanese embassy’s minister for general affairs to protest. Immediately thereafter, *Kyodo News* cited Japanese Foreign Minister Matsumoto Takeashi as telling the South Korean Ambassador to Japan Kwon Chul-hyun that Japan’s claims to the disputed islands remain unchanged.

This negative momentum was reinforced by the release of the diplomatic blue book by Tokyo reaffirming Dokdo/Takeshima as part of Japan’s territory, and a remark by Foreign Minister Matsumoto that, “Takeshima is Japan’s proper territory. If some foreign countries hit it with a missile, we will regard it as an attack on Japanese land.” Korean media capitalized on the moment and published a string of heated editorials in response. An April 9 *JoongAng Ilbo* op-ed said: “How the Japanese government find the time and energy to annoy its neighboring country through a territorial dispute and historical distortion while battling an earthquake and nuclear crisis is bewildering. The Japanese government has turned back the clock. It splashed cold water on Korea’s favorable sentiment toward a Japan in distress.” It was clear that at least a portion of the Korean society saw Japan’s stern attitude toward the Dokdo/Takeshima debate as ‘betrayal,’ given the neighborliness that was displayed just weeks prior in response to the earthquake.

Unfortunately, the discord regarding the islands and the textbooks spilled over into disaster relief. *DongA Ilbo* reported a visible drop in donations via the Audience Response Systems (ARS) disaster relief fund hotline, with some citizens actually taking advantage of the open channel to complain about why Koreans had to donate to the Japanese. In response to Seoul’s plans to build an oceanic science research station on the disputed islands, *Sankei Shimbun* carried a quote by Japan’s former Cabinet Secretary Hosoda Hiroyuki urging Tokyo to take “responsive measures,” to include declining Korean aid for Japanese earthquake victims and denying the Korean ambassador to Japan access to government officials. At least on the political level, the bilateral relations were once again enveloped in its usual spiral of indignation.

Then there is North Korea...

Pyongyang was relatively quiet during the first four months of 2011, with any ‘saber-rattling’ being verbal. *Yonhap News* announced that the Korean Workers’ Party newspaper, *Rodong*

Shinmun, officially launched its own website www.rodong.rep.kp on Feb. 16, just in time for the 69th birthday of leader Kim Jong Il. The newspaper has consistently published vitriolic editorials directly aimed at Japan: a Feb. 20 article described Japan's resistance to rectify history as 'despicable,' 'heinous,' and 'wicked,' while a Feb. 24 article equated Japan's past historical act as a 'sin.' These followed a Feb. 13 article that attacked Japan's domestic situation, stating that Japan's police force was corrupt, committed criminal acts, and behaved in a deplorable manner. As news of the disaster in Japan hit the media, the *Rodong Shinmun* website temporarily discontinued its scathing remarks. Reports on the developments concerning the radiation leak at the Fukushima power plant became the substitute.

Meanwhile, the *Korean Central News Agency (KCNA)* announced that North Korea had donated \$100,000 for relief efforts in Japan, while Kim Jong Il separately sent \$500,000 to aid the General Association of Korean Residents in Japan on the occasion of the 99th birthday of President Kim Il Sung. Despite the donation, Japanese media hinted at North Korea's goal of raising hard currency by applying to the UN for emission credits on their three hydropower plants currently under construction. *Asahi Shimbun* reported that with carbon dioxide emissions trading for roughly \$28 per ton, Pyongyang could stand to gain millions of dollars in income.

The coming months

At present, it appears that the middle of 2011 should be relatively quiet. Japan continues to struggle with the nuclear disaster in Fukushima and its economy will suffer in the aftermath of the earthquake. Although the history issue often intrudes, other economic and social relations continue to increase the density of ties between South Korea and Japan. While North Korea has been relatively quiet for the past months, the possibility of another North Korean provocation cannot be ruled out. With the presidential election in South Korea over a year in the future, and Japanese Prime Minister Kan apparently in command, there appears to be no great change or bold initiative in either of their foreign policies on the horizon.

Chronology of Japan-Korea Relations January – April 2011

Jan. 4, 2011: *Chosun Ilbo* refutes a *Yomiuri Shimbun* article claiming that Korea and Japan are in negotiations to conclude a bilateral military pact. The Korean media outlet cites a Korean government official who claims that "the Japanese side is unilaterally spilling a story to the media that has not even been consulted with the Korean side."

Jan. 4, 2011: In a press conference, Japanese Foreign Minister Maehara Seiji expresses his intent to create an environment to facilitate negotiations with North Korea in the New Year.

Jan. 7, 2011: Japan's Minister of the State for National Policy Gemba Koichiro meets South Korean Foreign Minister Kim Sung-hwan to renew talks on a free trade agreement (FTA).

Jan. 10, 2011: Japanese Defense Minister Kitazawa Toshimi and South Korean counterpart Kim Kwan-jin meet to discuss closer bilateral military cooperation. Civic groups protest at the ROK Defense Ministry in Seoul against the prospective bilateral military pact.

Jan. 14, 2011: The captain of a South Korean fishing boat is released by Japan's Coast Guard. According to *Yonhap News*, the captain was released after he admitted to trespassing in Japan's exclusive economic zone. According to Coast Guard officials, he was released after the South Korean Embassy in Tokyo submitted a written guarantee to pay a cash bond of 250,000 yen.

Jan. 14-15, 2011: Foreign Minister Maehara visits Seoul and meets Foreign Minister Kim Sung-hwan, Unification Minister Hyun In-taek, and President Lee Myung-bak.

Jan. 18-20, 2011: Third Japan-China-Korea Ministerial Conference on Culture is held in Nara, Japan. Japan's Commissioner of Cultural Affairs Kondo Seiichi, China's Minister of Culture Cai Wu, and South Korea's Minister of Culture, Sports and Tourism Yu In-chon participate.

Jan. 23, 2011: *Japan Today* highlights the biography of the new South Korean consul general-elect in Hiroshima: a son of a man who experienced the 1945 atomic bombing of the city and also took charge in requesting compensation for the South Korean victims.

Jan. 25, 2011: LG CNS announces the establishment of a joint venture with SBI Group of Japan.

Feb. 2, 2011: *Yomiuri Shimbun* reports that Japanese chipmaker Elpida Memory Inc. has reached an agreement on production with a Taiwan manufacturer, thus, representing a "major step toward a Japan-Taiwan alliance to vie with the South Korean giants who dominate the field."

Feb. 9, 2011: The Korean mobile network operator SK Telecom and its Japanese near-field communication (NFC) partners KDDI and Softbank Mobile announce a plan to begin internal testing of cross-border NFC services.

Feb. 11, 2011: *DongA Ilbo* quotes Japanese Foreign Ministry spokesperson Sato Satoru as claiming that South Korea or China must gain prior authorization from Japan to participate in development projects with Russia in the Kuril Islands.

Feb. 13, 2011: Former Japanese Justice Minister Seikan Suguira and former Korean Justice Minister Kim Sung-ho visit the House of Sharing in Gwangju to pay respects to the comfort women who were forced into sexual slavery during the Japanese colonial rule.

Feb 16, 2011: Foreign Minister Kim Sung-hwan visits Japan for the first time since his appointment in October of 2010. He meets Foreign Minister Maehara, Prime Minister Kan Naoto, and several others, including Sengoku Yoshito, acting president of the Democratic Party, and Tanigaki Sadakazu, president of the Liberal Democratic Party.

March 7-9, 2011: Sugiyama Shinsuke, director general of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau and Japan's chief envoy for the Six-Party Talks, visits Seoul and meets Foreign Ministry officials including his Six-Party Talks counterpart, Wi Sung-lak.

March 11, 2011: An earthquake measuring 9.0 on the Richter scale hits the Tohoku region of Japan causing a massive tsunami and resulting in large-scale death and destruction.

March 19, 2011: Japanese Foreign Minister Matsumoto Takeaki, Chinese Foreign Minister Yang Jiechi, and ROK Foreign Affairs and Trade Minister Kim Sung-hwan agree to enhance trilateral cooperation to better respond to major disasters and ensure the safety of atomic power.

March 30, 2011: Japan's Education Ministry approves several junior high school textbooks that describe Dokdo/Takeshima as part of Japanese territory.

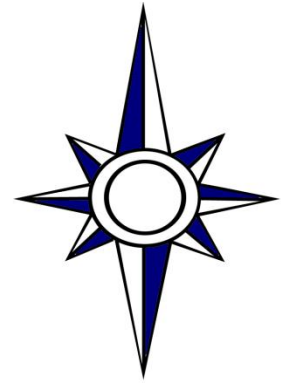
April 12, 2011: *Yonhap News* reports on a two-day meeting of Japanese and South Korean nuclear safety experts after South Korea expressed concerns over the release of more than 11,000 tons of water contaminated with radiation that was used to cool reactors at Fukushima.

April 14, 2011: *Sankei Shimbun* reports that a committee in Japan's Liberal Democratic Party has asked the Japanese government to establish a "Takeshima Day," in an effort to assert the country's claim to the territory.

April 27, 2011: Japanese parliamentary panel endorses a treaty to transfer to South Korea historical documents that were brought to Japan during its 1910-1945 colonial rule of the Korean Peninsula, paving the way for its ratification by the Diet.

Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



China-Russia Relations: Mounting Challenges and Multilateralism

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China-Russia economic relations were “reset” on New Year’s Day 2011 when the 1,000-km Skovorodino-Daqing branch pipeline was officially opened. The pipeline, which took some 15 years from conception to completion, will transport 15 million tons of crude annually for the next 20 years. The low-key ceremony marking the launch of the pipeline at the Chinese border city of Mohe was followed by several rounds of bilateral consultations on diplomatic and strategic issues in January. In March and April, Moscow and Beijing sought to invigorate their “joint ventures” – the Shanghai Cooperation Organization (SCO) and the Brazil, Russia, India, China (BRIC) forum – at a time when both Moscow and Beijing feel the need for more coordination to address several regional and global challenges and crises.

Fifth round of China-Russia Strategic Security Talks

Chinese State Councilor Dai Bingguo visited Moscow on Jan. 23-25 to attend the fifth round of China-Russia Strategic Security Talks with his Russian counterpart Security Council Secretary Nikolai Patrushev. Chinese media reported that Dai had an “in-depth exchange” of views with the Russians on “important international and regional issues of common concern.” The talks were initiated in 2005 and the first round of consultations took place in Beijing in December 2009, when Russia and China signed a protocol on strategic security cooperation. The next round is scheduled to be held later this year in China.

There were several major issues for this round of the bilateral security talks. One was to assess the bilateral cooperation on global issues including those at G20, the SCO, and the BRIC forum as well as on regional hot issues. The two sides believed that their cooperation “helped maintain regional and world peace, safety and stability.” Beyond those specific issues, Dai and Patrushev also tried to envision their strategic partnership from a more “comprehensive” and longer-term perspective (10 years), as 2011 is the beginning of the second half of the 20-year implementation of the Treaty of Good Neighborliness, Friendship, and Cooperation. Although both sides pledged to “adhere to the principles of mutual trust, win-win cooperation and good neighborliness while conducting strategic coordination,” they also recognized the rapidly changing regional and global situation, as well as their respective domestic setting, required an adjustment of their effort.

One area where the two strategic partners needed to coordinate their positions was the Iran nuclear issue. Throughout 2010, Moscow seemed to gradually reverse its tough opposition to sanctions against Iran, leaving China somewhat exposed to Western pressure. Part of the reason for Moscow’s changing position on Iran is the “smart diplomacy” of the Obama administration. Whereas the US-Russian “reset” gained momentum throughout 2010, culminating in December

2010 with the US Senate ratification of the New Strategic Arms Reduction Treaty (New START), US pressure on China regarding the crises in Korea Peninsula, East China Sea, and South China Sea, clearly squeezed China's strategic space. Although both Russia and China voted to support the UNSC Resolution 1929 in June 2010, Beijing seemed more reluctant than Russia to do so. In comparison, Russia has more at stake in Iran (economic, military sales, nuclear technology, etc.) than China, which is largely in commercial areas.

The need to coordinate their Iran policy was the top priority when Russian and Chinese Deputy Foreign Ministers Sergei Ryabkov and Wu Hailong held consultations in Moscow on Jan. 17. A Russian Foreign Ministry statement posted on its web site said the two deputy ministers looked into the "current situation around the Iranian nuclear program" and related issues such as strategic stability, nuclear nonproliferation, arms control, and space security, as well as "prospects for cooperation within the BRIC framework." This round of consultation at the deputy foreign minister-level apparently did not resolve all the issues. In the evening of the same day, China's Foreign Minister Yang Jiechi initiated a phone call with Russian counterpart Sergei Lavrov, again focusing on Iran.

It remains to be seen how Moscow and Beijing can coordinate Iran policy. In its news report on the fifth Strategic Security Dialogue, China's official news agency, *Xinhua*, did not directly mention the Iranian nuclear issue as part of the 2010 "accomplishments." In his subsequent meeting with Dai, Russian President Dmitry Medvedev appeared to reassure his visitor, saying that Russia saw China as its "closest partner, a position that will never be changed." In his response, Dai said that the "first 10 years of the 21st century had been important" for Sino-Russian relations and that China was willing to work with Russia to develop their strategic partnership "at a higher stage."

SCO springs to action

February was unusually quiet for Sino-Russian bilateral relations. The unusually long Lunar New Year holiday (Feb. 2-8), which was extended by many until Feb. 17, was a time for family, food, and fireworks. The world, however, was becoming increasingly restless as mass protest (first in Tunisia and then in Egypt in January) quickly engulfed the Arab world, thanks in part to the widely used "social media." By February, the sudden escalation of violence, first in Egypt and then Libya, forced governments around world, including China and Russia, to launch emergency operations to remove their nationals from the affected countries.

The "Arabic spring" proved contagious, and perhaps even dangerous, for many Central Asian states with similar socio-political environments, which in April 2010 gave rise to large-scale turmoil in Kyrgyzstan and the ouster of President Kurmanbek Bakiyev. Even China was on edge as the phrase "jasmine revolution" was spreading through cell phones and the internet in February, when US Ambassador to China Jon Huntsman "accidentally walked by" a crowd of several hundred people gathered in Beijing. Some saw this as US involvement in an attempt to destabilize China. The planned withdrawal from Afghanistan beginning in July 2011 by the US also injects a sense of uncertainty into the region's future. SCO members, therefore, "are still facing long-term, complex, and diverse security threats and challenges" according to Chinese

Defense Minister Liang Guanglie in his speech to the annual SCO Defense Ministers Meeting in Astana, Kazakhstan, on March 17.

This meeting was part of the routine ministerial meetings prior to the annual SCO Summit scheduled for June. The defense ministers discussed counterterrorism, personnel training, joint exercise issues, and agreed to “upgrade” military cooperation. They also approved a cooperation plan for 2012-2013. Participants included Chinese Defense Minister Liang Guanglie, Kazakh Defense Minister Adilbek Dzhaksybekov, Kyrgyz Defense Minister Abibilla Kudaiberdiyev, Russian Deputy Defense Minister Ivanovich Antonov, Tajik Defense Minister Sherali Khairulloev, and Uzbek Deputy Defense Minister Rustam Niyazov. SCO Secretary General Muratbek Imanaliev and Director of the Executive Committee of the SCO Regional Antiterrorist Structure Dzhenisbek Dzhumanbekov were invited to attend as observers.

SCO’s annual defense ministerial meeting was followed by several other sessions including:

Time/Place	Sessions	Issues
March 25 Tashkent, Uzbekistan	Council of the SCO Regional Counter- Terrorism Structure (RATS)	- Implementation of the SCO's 2010-2012 program of cooperation in combating terrorism, separatism, and extremism; - <i>Tian Shan-2 2011</i> anti-terrorist drill to be held in China on May 6.
March 30 Astana, Kazakhstan	Combating drug smuggling	Approved a 2011-2016 anti-drug strategy & its implementation program, to be adopted in Astana during the annual SCO Summit in June.
April 13-14 Tashkent, Uzbekistan	RATS and CIS Anti- terror Center	Discussed anti-terror security, and how to protect vital and sensitive facilities and military infrastructure.
April 24-25 Beijing & Shanghai	SCO chiefs of general staff	First meeting of its kind since SCO debut 10 years ago. A memo was signed. PRC Vice-President Xi Jinping met the chiefs in Beijing.
April 28 Astana, Kazakhstan	SCO interior and public security ministers	A protocol signed on measures fighting transborder crime, organized crime, drug trafficking, illegal migration and cyber-crimes.
April 29 Astana, Kazakhstan	SCO security council secretaries	Discussed how to strengthening the coordinating role of the secretaries meeting within the SCO.

Aside from the routine annual sessions, a notable exception was the first-ever meeting of the SCO chiefs of general staff in Beijing and Shanghai. The agenda was “to sum up the experiences in past cooperation and explore more extensive ways of cooperation in the future.” Among the participants were Kazakhstan’s First Deputy Defense Minister and Chief of Staff Saken Zhasuzakov, Kyrgyzstan’s First Deputy Defense Minister and Chief of the General Staff Taalaibek Omuraliev, Russia’s First Deputy Defense Minister and Chief of the General Staff Nikolai Makarov, Tajikistan’s First Deputy Defense Minister and Chief of the General Staff

Ramil Khalilovich Nadirov, Uzbekistan's Deputy Defense Minister Rustam Niyazov and China's PLA Chief of General Staff Chen Bingde.

The military chiefs first gathered in Beijing on April 24 where they separately met their Chinese counterpart Gen. Chen Bingde. In the morning of April 25, the chiefs were received by Chinese Vice-President Xi Jinping, who is also vice chairman of China's powerful Central Military Commission and is widely expected to succeed President Hu Jintao as the top Chinese leader in 2012. Xi reportedly praised the SCO's cooperation over the past 10 years, noting that the organization has played "a constructive role in Europe-Asia geopolitics, regional peace, stability and prosperity." China "highly values its exchanges and cooperation on defense and security with the SCO members," remarked Xi, and "will work closer with them under the SCO framework ... to competently crack down on new security threats ... in a bid to maintain a stable and peaceful environment for the SCO members' national development." The chiefs reportedly voiced joint commitment to further develop cooperation on defense and security.

After the morning meeting with Xi, the chiefs held the formal meeting in Shanghai in the afternoon. In his speech, Gen. Chen said that the purpose was to sum up past experience, study issues, open new areas of cooperation, and plan specific format and substance to deepen their future cooperation in defense and security. The brief meeting ended with the signing of a "Memorandum of the Meeting of the SCO's Chiefs of Staff."

The chiefs meeting, which was sponsored by China, had both symbolic and substantive elements. It was held at the 10th anniversary of the SCO founding. Since then, the regional security group has held several large-scale military exercises: "*Coordination-2003*" in Kazakhstan, and a series of "*Peace Missions*" including 2005 in China, 2007 in Russia, 2009 in China, and 2010 in Kazakhstan. The scale of the exercises and their level of interoperability are far below those of US-led alliances and the SCO members have so far played down their significance as "anti-terror" exercises. The fact that these exercises continue to date indicates SCO resilience.

That said, the limitations of SCO military integration are also obvious. The insistence on sovereignty and equality among SCO member states is not conducive to SCO interoperability. China's policy of non-interference in internal affairs prevents it from assuming greater leadership in SCO's security issues. In the first decade of its existence, Russia has been more interested in turning the SCO into a more security-military oriented organization, while China has remained content with its expanding economic influence. Few, if any, in the SCO would benefit from making the SCO an anti-US group.

With the rapidly evolving global and regional situation, plus the growing pressure from the US-led alliances in East Asia and the South China Sea, this "traditional" division of labor between Moscow and Beijing does not seem to meet China's needs for both economic development and a security guarantee. When Vice President Xi talked about "new security threats" and when Gen. Chen Bingde urged the SCO military chiefs to open "new areas of cooperation," and plan "specific format and substances" in order "to deepen their future cooperation" in defense and security areas, Beijing is sending out trial balloons for deeper and broader military cooperation among the SCO member states. China would like to develop a more balanced approach to its Central Asia policies with both economic and security mechanisms. For China, economic

prosperity without a minimum security guarantee is very risky, as was shown in late February when 30,000 Chinese workers were hastily withdrawn from Libya while Beijing helplessly watched its huge economic investment and geopolitical interest in that part of the world rapidly evaporate. China is determined not to let it happen again, at least not at China's door step in Central Asia, where China's huge and still growing investment and energy infrastructure requires bilateral and multilateral security protection. Years of economic outreach to SCO nations in Central Asia has made the region a vital and increasingly indispensable part of China's economic and geostrategic calculus. If this is the goal, Beijing can no longer shy away from pouring some new "wine" into the not-too-old "bottle" (SCO). Maintaining the status quo, or doing nothing, in light of the sweeping changes in northern Africa and the Middle East, is becoming unacceptable.

2012 "Overture"?

The extent to which SCO members are receptive to Beijing's effort remains a question. The "Arabic Spring" may help convince other SCO members to develop a more robust collective defense mechanism, as stability and prosperity are in the interests of other SCO states. Still, one of the biggest unknowns is whether Russia will go along with Beijing's new-found interest in beefing up the SCO's security mechanism, particularly when many in Russia are still in the "reset" mode with the US. Russia may not be able to make up its mind until after the March 2012 presidential election, which will determine whether the Eurasianists (like Putin) or the Westernizers (like Medvedev) will be in the Kremlin for the next six to 12 years. Beijing's strategic-political clock, however, cannot wait as 2012 will witness the changing of guard in Beijing as well as in the US, South Korea, and Taiwan.

For Beijing, the biggest challenge is the US. Beijing's proactive posture in Central Asia seems to be based on at least three things. First, a domestically constrained Obama (the loss of the House of Representatives to the Republicans) may opt for more foreign policy successes, and any "softening" of his China policy would be counterproductive. In the aftermath of the killing of Osama bin Laden on May 1, Obama is on the way to shedding his "Nobel-Peace" image for one of a stronger and smarter statesman. In this context, Obama is unlikely to ease pressure on China in either economic and security areas until after he secures a second term.

Further, the planned US withdrawal from Afghanistan, starting from July 2011, is injecting elements of uncertainty into both the war-torn country and its neighbors. While the Obama administration is looking for a face-saving exit strategy, rebuilding Afghanistan will take years, if not decades. The Taliban is not going to fade away even if the US declares "victory" and runs. For China and other members of the SCO, a stable, strong, and prosperous SCO is the minimum requirement for the post-US Afghanistan, regardless of who is in power. China is encouraging Pakistan to engage Afghanistan in reconciliation and calling for the restoration of normalcy in both Afghan domestic politics and Afghan-Pakistani relations. After years of participating in SCO meetings at various levels, Afghanistan is being persuaded to join the SCO, beginning as an observer member, similar to India, Pakistan, Iran, and Mongolia.

Finally, Beijing is calculating that Washington will be able to concentrate its diplomatic attention and military resources on East Asia once it frees itself from the wars in Afghanistan and Iraq. A relatively stable Central Asia will function as strategic depth for China at a time when Northeast

Asia remains precarious after almost a year of heightened tension and when China's relations with Southeast Asia are cloudy because of South China Sea disputes.

Regardless of the 2012 presidential election in Russia, China's desire and effort to maintain a relatively stable Central Asia through the SCO parallel Moscow's interests. At least in the security area, Moscow is perhaps more able to pull more strings, particularly in using its dominant role in the Commonwealth of Independent States (CIS). On April 13-14, the SCO's Regional Anti-Terror Structure (RATS) and the CIS Anti-Terror Center (ATC) jointly sponsored a two-day conference in Tashkent to discuss and coordinate ways to protect vital and sensitive facilities and military infrastructure. The conference participants analyzed the trends and patterns of terrorist groups such as the Islamic Jihad Group, the Islamic Party of Turkestan, Hezb-e Tahrir, and the Islamic Movement of East Turkestan.

The conference was attended by representatives from anti-terror divisions of special services and security agencies of the SCO and CIS member countries as well as representatives from the Executive Committee of the Border Troops Commanders' Council, the Bureau for Coordination of the Fight against Organized Crime and Other Grave Crimes in the CIS, the United Nations Office on Drugs and Crime, the secretariat of the Collective Security Treaty Organization (CSTO) and the Conference on Interaction and Trust-Building Measures in Asia (CICA). "... [C]ounterterrorism and extremism ... may be efficiently resolved only by joint efforts," says a press release by the executive committees of the RATS, the SCO, the ATC, and the CIS.

BRICS in the great wall?

While Beijing and Moscow are trying to consolidate and invigorate the SCO for stability and security in the heart of the Eurasian continent, they are also actively shaping the BRICS as a multilateral forum for global issues, not only in the economic and financial areas, which was the original goal, but also for international political and security issues. On April 14, China hosted the third summit for the BRIC nations in Sanya on south China's island of Hainan Province, with the theme "Looking into the Future, Sharing Prosperity." South Africa was added as a new member in December 2010, so the BRIC group has become BRICS. The BRICS Summit was followed the next day by the annual session of the Boao Forum for Asia (BFA), a China-sponsored economic forum which has been held for the past 10 years. President Medvedev joined both economic conferences, plus made an official two-day visit to Hong Kong. All in all, he spent five days in southern China (April 13-17).

The term BRIC was first coined by Goldman Sachs executive Jim O'Neill in 2001 for the world's four "emerging" economies of Brazil, Russia, India, and China. Over recent years, interactions between BRIC countries increased and expanded regarding important issues concerning international economy and development. In 2009, the first BRIC summit was held in Russia and the second one in Brazil in 2010. The combined territories of the BRICS countries account for nearly 30 percent of the world's total land area and they are home to 42 percent of the world's total population. In 2010, the group contributed 18 percent of the world's GDP, 15 percent of global trade, and over half of the world's foreign direct investments. From 2001 to 2010, inter-BRICS trade increased with an average annual growth rate of 28 percent. Total trade among the five countries was \$230 billion in 2010. The entry of South Africa makes BRICS a

global entity, though this was largely because of geopolitical factors rather than economic factors. That is, South Africa represents over 1 billion people residing in more than 50 countries on the continent of Africa.

Chinese President Hu Jintao chaired the meeting, with Brazilian President Dilma Rousseff, Russian President Dmitry Medvedev, Indian Prime Minister Manmohan Singh and South African President Jacob Zuma in attendance. In his speech, Hu made four points regarding peace and prosperity for the 21st century: 1) strengthening world peace and stability is the prerequisite for development, while respecting sovereignty for internal affairs and promoting democracy for international affairs; 2) promoting economic development for all with “just and equitable” international monetary and financial systems, as well as an international free trade system; 3) promoting international exchange and cooperation at various multilateral international forums; 4) intensifying cooperation between BRICS nations with the principles of solidarity, mutual trust, openness, transparency and common development.

Compared with Hu’s speech of principles, Medvedev sounded more practical when he reminded his audience that all BRICS member-states currently sit on the UN Security Council and “we should take advantage of this special situation” to boost the potential of the UN. The Russian president particularly emphasized the need for further reform of the international monetary and financial system, as well as the need to reduce the volatility of world prices for agricultural products (Medvedev somehow did not touch on the more volatile price fluctuation of energy products). He concluded his speech with Russia’s deep concern about the events in Libya and civilian casualties.

As a multilateral economic forum born after the 2008 financial crisis, the Sanya meeting gave particular emphasis to international political and security issues. Both Hu and Medvedev talked about the crisis in north Africa and West Asia, and for Hu, international peace and stability “are the foundations” of economic development. The change was significant from a year before when the key words for the Brazil meeting were “global governance and reform.” In 2011, they were “peace, security, development and cooperation.” In the 2010 BRIC declaration, “Meeting of High Representatives for Security Issues” was ranked number three in priority for the following year; in 2011, it tops the to-do list.

As a sign of intensified cooperation, the Sanya Declaration has a separately attached “Action Plan,” which identifies 14 “existing cooperation programs” to be enhanced, four “new” areas of cooperation, and five new proposals to explore. Among those items, cooperation and coordination within the UN and G20 framework are prominently featured. It was not accidental that the four original BRIC members abstained from the March 17 UN Security Council Resolution 1973 regarding the no-fly zone over Libya. South Africa, on the other hand, voted in favor of the UN resolution.

While political and security issues were elevated in the BRICS Summit, one of the biggest developments for enhanced economic cooperation was an agreement by the five national banks to expand local currency settlement and lending to facilitate the countries’ economic growth and reduce their reliance on the US dollar. The pact was hailed as “very substantial” and “path-

breaking” as it would greatly promote trade and investment facilitation among the BRICS nations and could effectively avoid the risk from exchange rate fluctuations.

Even with these movements toward a greater role of the BRICS nations in world economics and politics, it is still too early to predict their future in a world of rapid change and growing chaos. Intra-BRICS trust has yet to be enhanced and these countries need to develop an effective permanent interactive mechanism. Different levels, speed, priority, and potential for economic development naturally lead to different interests and goals. China’s approach of “seeking common ground while avoiding differences” (*qiu tong cun yi*, 求同存异) may work for awhile. Differences, however, cannot be avoided forever. Russia and its close ally India remain wary of China’s “ambition” of using the BRICS forum for its own interests. Brazil and India complain about China’s currency policy. The rapid movement of Chinese, Indian, and Brazilian companies into Africa is seen as challenging South Africa’s presence on the continent. Beyond the intra-BRICS suspicions, the fact that “each of the five countries regards its ties with the US as its most important bilateral relationship and each is excessively wary of displeasing Washington” (*The Hindu online*, April 16, 2011) makes the US a “shadow” participant of the BRICS. China, with its economy accounting for almost half of the aggregate GDP of the group, may not be able or perhaps willing to be an “ordinary” member. The issue is not “if,” but how Beijing will lead the enlarged group while avoiding deepening suspicions from others.

What is driving the five emerging economies together is not only the dysfunctional international financial and trading systems, but also increasingly, and perhaps more urgently, the fact that the developing world is being engulfed by instability, civil wars, and outside intervention. In this sense, the multilateralist “space” – from SCO to BRICS and, to a lesser degree, the Boao Forum – that Beijing and Moscow are enlarging and invigorating is attractive as a different type of the world away from chaos and conflict.

Chronology of China-Russia Relations January – April 2011

Jan. 1, 2011: The 1,000-km-long pipeline (72 kilometers in Russia and 927 km is in China) is officially opened after a two-month trial.

Jan. 17, 2011: Russian and Chinese Deputy Foreign Ministers Sergei Ryabkov and Wu Hailong hold consultations in Moscow on Iran, strategic stability, nuclear nonproliferation, arms control, space security, and cooperation within the Brazil, Russia, India, China (BRIC) framework.

Jan. 17, 2011: China’s Foreign Minister Yang Jiechi and Russian counterpart Sergei Lavrov hold a phone conversation regarding Iran’s nuclear issue, the BRIC framework, strategic stability, nuclear nonproliferation, arms control, and space security.

Jan. 23-25, 2011: State Councilor Dai Bingguo and Russian Security Council Secretary Nikolai Patrushev hold the fifth round of the Russian-Chinese Strategic Security Talks in Moscow. Dai meets Russian President Dmitry Medvedev on Jan. 24.

March 17, 2011: SCO defense ministers hold their annual meeting in Astana. They issue the Joint Communiqué of the SCO Member Nations' Defense Ministers Conference and approve the "Cooperation Program of the SCO Member Nations' Defense Departments from 2012 to 2013."

March 25, 2011: Council of the SCO Regional Counter-Terrorism Structure meets in Tashkent.

March 30, 2011: SCO holds a session on combating drugs smuggling in Astana to discuss the anti-drug strategy for 2011-16 and the "SCO Anti-drug Strategy Implementation Program."

April 6, 2011: Russian Deputy Foreign Minister Alexander Saltanov and Chinese Ambassador to Russia Li Hui meet in Moscow. They call for re-launching the Middle East peace process and settling the Libyan crisis through diplomatic methods.

April 13-14, 2011: SCO Regional Anti-Terror Structure (RATS) and CIS's Anti-Terror Center sponsor a two-day conference in Tashkent to discuss ways to ensure anti-terror security, and to protect vital and sensitive facilities, and military infrastructure.

April 13-14, 2011: BRIC nations hold their third summit with a new acronym (BRICS) as South Africa joins the group. The next summit will be held in India.

April 13-17, 2011: President Medvedev visits China to attend the BRICS Summit on April 14, the Boao Forum for Asia on April 15, and to visit Hong Kong on April 16-17.

April 15-16, 2011: The annual meeting of the Boao Forum for Asia is held in Hainan.

April 24-25, 2011: SCO military chiefs meet for the first time since the SCO was formed in 2001.

April 28, 2011: SCO's interior and public security ministers hold their second meeting in Astana and sign a protocol on measures on further fighting against transborder crime, organized crime, drug trafficking, illegal migration and cyber-crimes.

April 29, 2011: SCO hold its sixth Security Councils Secretaries Meeting in Astana.

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