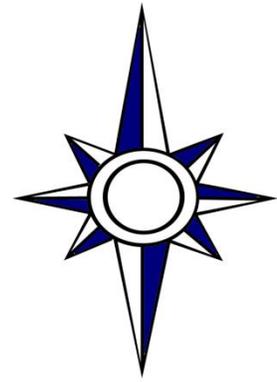


Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



Regional Overview: Rays of Hope?

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A few dim rays of light pierced what has been the darkness of the Six-Party Talks since their suspension in December 2008, raising hopes that we would see a resumption of dialogue in the next few months (even though prospects for actual Korean Peninsula denuclearization remain low). US-China relations continued to mend at the annual Shangri-La Dialogue and ASEAN Regional Forum (ARF) gatherings amid ever-so-slight progress toward the creation of a South China Sea Code of Conduct. Vice President Biden's first official trip to China added to the light.

Hopes have also been raised that new prime ministers in Thailand and Japan can help end the political quagmires in both countries. Aung San Suu Kyi's release from house arrest and subsequent meeting with "civilian" government officials also provide a ray of hope that progress might be made in moving Burma/Myanmar toward democracy. Meanwhile, the self-inflicted debt crisis in the US has further dimmed hopes for US leadership in Asia and globally.

Looking forward, there are flickering hopes that this year's APEC Leaders Meeting in Honolulu will shine a new spotlight on this increasingly overshadowed institution. Finally, lest we forget, the biggest headline of this four-month period appeared on its first day: "Bin Laden is Dead!" Many hope this signals the beginning of the end for al Qaeda; others hope it will hasten the US exit from Afghanistan as well.

Light at the end of the tunnel?

Is there a light at the end of the long dark tunnel known as the Six-Party Talks? Perhaps! Readers will recall the Chinese three-step proposal for a resumption of the talks, which begins with inter-Korean dialogue, followed by direct US-DPRK talks, leading to eventual resumption of the Six-Party Talks. The first two steps were taken, albeit tentatively, over the summer months.

Despite proclamations by Pyongyang that it would never again talk with Seoul's "traitor" Lee Myung-bak's administration and a history of refusing to talk to the ROK about nuclear-related issues even when other dialogue was ongoing, the two Koreas' chief Six-Party Talks negotiators unexpectedly held a two-hour bilateral meeting on the sidelines of the ASEAN Regional Forum (ARF) in Bali on July 22. The South's Wi Sung-lac and the North's newly appointed Ri Yong Ho agreed to make a joint effort to resume the nuclear dialogue as soon as possible. Their respective bosses, Foreign Ministers Kim Sung-hwan and Park Ui Chun, also met briefly during the ARF ministerial, raising hopes that the hatchet was about to be buried, despite continued ROK insistence, before and after the Bali meeting, that the North still had to address – if not apologize for – its 2010 attacks against the *Cheonan* and Yongpyeong Island.

Many also see the replacement of the “hardline” Minister of Unification Hyun In-taek (who was retained as an adviser on unification issues) on Aug. 30 as another olive branch toward the North by the Lee administration. We put “hardline” in quotes because we have known Minister Hyun for several decades and always found him to be extremely open to dialogue and cooperation with the North, both as an academic and as a government official, albeit one who believed that cooperation was a two-way street that required some reciprocation from the North. The facts notwithstanding, Hyun had been seen as a symbol of the Lee administration’s tougher approach toward the North and his removal could help open the door for a resumption of dialogue. His successor, former geography professor Yu Woo-ik, is a close confidant of President Lee. He previously served as ROK ambassador to China, which should be helpful given Beijing’s pivotal role in the Six-Party Talks.

The second step on the road to resumption of the talks took place in New York City on July 28-29 when Special US Representative for North Korea Policy Stephen Bosworth met his North Korean counterpart, First Vice Foreign Minister Kim Kye Gwan, for two days of “exploratory” discussions, the first high-level, direct talks between the US and North Korea in 18 months. US spokesmen described the talks as “constructive and business-like,” and aimed at exploring Pyongyang’s willingness “to take concrete and irreversible steps toward denuclearization.” The US reportedly demanded an immediate halt to Pyongyang’s uranium enrichment program and asked if the North operated any such facilities other than the one in Yongbyon. Vice Minister Kim replied – contrary to the assessment of most nuclear experts – that Yongbyon is the North’s only uranium enrichment facility and that the North is committed to “peaceful nuclear activity to generate electric power.” (Pyongyang is obviously not committed to obeying UN Security Council resolutions that prohibit all such nuclear-related activities.)

There is still no telling when, or even if, Six-Party Talks will resume. Before deciding on next steps, Washington announced that it planned to first consult closely with Seoul and its other Six-Party Talks partners. It also made it clear that it was sticking to its earlier “not buying the same horse twice” approach. In a July 24 statement announcing the exploratory talks in New York, Secretary of State Hillary Clinton said the US “does not intend to reward the North just for returning to the table.” “We will not give them anything new for actions they have already agreed to take. And we have no appetite for pursuing protracted negotiations that will only lead us right back to where we have already been.”

Meanwhile, for the record and despite bad headlines and faulty reporting to the contrary, Pyongyang has not offered to suspend nuclear and missile tests if the talks resume. What the Russians actually reported, following Kim Jong Il’s meeting with Russian President Dmitry Medvedev at a military base in the Siberian town of Sosnovy Bor near Lake Baikal, was “Kim Jong Il expressed readiness to return to six-party talks without preconditions.” [Read: without addressing, much less being held accountable for, past transgressions.] “In the course of the talks the North Koreans will be ready to resolve the issue of imposing a moratorium on testing and production of missile and nuclear weaponry.” Not specified was the price tag the North will inevitably attach to “resolving the issue.” In the meantime, *KCNA* has re-initiated its propaganda campaign calling for a peace treaty (between Washington and Pyongyang, excluding Seoul) to end the Armistice.

Sweetness and light at the Shangri-La Dialogue

Not surprisingly, North Korea was a topic of discussion at the annual Shangri-La Dialogue in Singapore, an informal gathering of defense ministers from around and beyond the Asia-Pacific region. What was surprising was a very candid statement by Chinese Defense Minister Liang Guanglie. After making standard boilerplate comments calling on all sides to avoid “producing man-made tensions” and supporting a resumption of six-party negotiations, he added during the Q&A session: “I can be very frank with you that what we have done in communications with North Korea is much more than you imagine, including the work of our representatives to the Six-Party Talks, the Ministry of Foreign Affairs, and the leaders of our country. We have been advising North Korea, via different channels, not to take the risk.”

For his part, US Defense Secretary Robert Gates, making his fifth and final appearance at the annual International Institute for Strategic Studies (IISS)-sponsored dialogue, stressed the need to maintain nuclear deterrence by the US in the face of North Korean aggression. His main message, as in years past, was “the enduring and consistent nature of America’s commitments in Asia, even in times of transition and change.” Gates assured his Asia-Pacific counterparts that the US “will continue to meet our commitments as a 21st century Asia-Pacific nation – with appropriate forces, posture, and presence,” while further noting that this was his 14th trip to Asia over the past four and a half years.

Gates reiterated the “enduring principles” that guide US engagement in Asia: free and open commerce; a just international order that emphasizes rights and responsibilities of nations and fidelity to the rule of law; open access by all to the global commons of sea, air, space, and now, cyberspace; and the principle of resolving conflict without the use of force.

While a few of these principles – fidelity to the rule of law, resolving conflict without the use of force, etc. – might be interpreted as sending a message to Beijing, Gates, as in previous years, stressed the positive in US-China relations, noting that we are seeing the “fruits of bold decisions” by past US presidents to build a “positive, cooperative, and comprehensive relationship” with China.” He further noted that “I have made it a priority to build military-to-military ties with China, which have steadily improved in recent months.”

He did observe, without naming names, that “the U.S. Navy and Air Force have been concerned about anti-access and area denial scenarios for some time. These two military services are working together to develop a new concept of operations – called ‘Air-Sea Battle’ – to ensure that America’s military will continue to be able to deploy, move, and strike over great distances in defense of our allies and vital interests.” But, all in all, his comments regarding China reflected a genuine US desire for cooperation.

Gen. Liang did Gates one better. He did not mention the US at all during his (excessively long) presentation (although he did manage to slip in two references to “Cold War mentality,” a favorite Chinese catch phrase traditionally used to criticize Washington’s Asia-Pacific alliances). Even when baited during the Q&A session about US efforts to “control” China, Liang stuck to the high road, reminding his interlocutor that “the relationship between China and America is

favorable and developing,” while further noting that Presidents Hu and Obama had “reached a consensus on the construction of a partnership of mutual respect and mutual benefit between both sides.” He too cited the improvement in military-to-military relations and his joint commitment with Secretary Gates to “further strengthen our cooperation on national defense, promote the development of military relations between the two countries, and make continuous achievements.”

South China Sea: conduct unbecoming?

Somewhat surprisingly (since China tries to discourage discussion of the topic at international gatherings), Gen. Liang brought up the subject of the South China Sea in his prepared remarks, stressing that “China is committed to maintaining peace and stability” as a signatory to the 2002 “Declaration on the Code of Conduct on South China Sea” [the actual title is *Declaration on the Conduct of Parties in the South China Sea*, or DOC].

Addressing an historic US concern, he noted China’s commitment to “the settlement of the territorial and jurisdictional disputes by peaceful means” while reaffirming that “the freedom of navigation and overflight in South China Sea shall be respected according to universally recognized principles of international law.” He also noted that “China has been actively keeping dialogues and consultations with ASEAN countries in implementing the Declaration.” Such positive pronouncements notwithstanding, ASEAN continues to express frustration at China’s reluctance to replace the DOC with a more binding Code of Conduct.

Gates did not specifically address the South China Sea, but did note that “the US position on maritime security remains clear: we have a national interest in freedom of navigation; in unimpeded economic development and commerce; and in respect for international law.”

A (slightly) less contentious ASEAN Regional Forum

The constructive attitudes on display in Singapore did not fully carry over to the ARF in Bali, but the atmosphere was much improved when compared to the 2010 meeting in Hanoi. That meeting featured Secretary Clinton’s “interference” in the South China Sea debate – in truth, all she did was repeat longstanding US positions regarding freedom of navigation and the peaceful settlement of disputes while offering to help “facilitate” the resumption of dialogue on a Code of Conduct – and a fit of pique by Chinese Foreign Minister Yang Jiechi (his now infamous “China is a big country” admonition) over the subject being raised repeatedly at the Hanoi session.

This year, China and ASEAN, in their 10+1 ministerial preceding the ARF, agreed upon “Guidelines for the Implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC)” which was hailed by the ARF ministers, who “looked forward to the full and effective implementation, in letter and spirit, of the DOC to promote conducive conditions with a view to building confidence and strengthening peace in the South China Sea through, among others, cooperative activities and projects.” The ASEAN-China agreement is an eight-point document that expresses intent to move to specific implementing guidelines, but reportedly does not define the guidelines or bind countries to them.

Secretary Clinton, on her eighth trip to Asia, called the agreement “an important first step toward achieving a Code of Conduct and reflects the progress that can be made through dialogue and multilateral diplomacy,” while noting that “we look forward to further progress.” She also reminded participants of America’s “national interest in freedom of navigation, open access to Asia’s maritime domain, the maintenance of peace and stability, and respect for international law in the South China Sea.” She also called on all parties to “clarify their claims in the South China Sea in terms consistent with customary international law,” further noting that claims to maritime space “should be derived solely from legitimate claims to land features.” [Read: and not based on dotted lines on an old Chinese map.]

The ministers encouraged Myanmar to “fulfill its own commitment in achieving the Seven Step Roadmap to Democracy,” promising “to render their support to Myanmar on its reform efforts, including in pursuing economic reforms, genuine national reconciliation, unity and reconsolidation, the release of all political prisoners as well as the transition to democracy in the country that will contribute to sound progress.” They also called on Thailand and Cambodia to “continue the cooperation which they have entered into within ASEAN and, in particular, allow the observers appointed by that organization to have access to the provisional demilitarized zone.”

As noted earlier, The ARF provided a venue for negotiators from North and South Korea to meet and take the first step toward a resumption of Six-Party Talks. The ministers applauded that meeting, called (as they always do) for a resumption of the Talks, and “reaffirmed that the complete, verifiable and irreversible denuclearization of the Korean Peninsula is essential not only for the enduring peace and stability in the region but also the integrity of the global nuclear non-proliferation regime.” In this context, they expressed concern about the DPRK’s uranium enrichment activities and called on the DPRK to comply fully with its international obligations and commitments, by abandoning all existing nuclear programs. The DPRK responded that their uranium enrichment activities are “an exercise of its legitimate right of a sovereign state for peaceful purposes.”

Biden comes a’ calling

Secretaries Clinton and Gates were not the only high-level US visitors during this four-month period; US Vice President Joe Biden took a brief three-country tour in August that took him to China, Mongolia, and Japan. He achieved his key objectives: working on building a relationship with his counterpart, Chinese Vice President Xi Jinping, and reassuring China and other Asian nations, especially Japan, of the ongoing US commitment to the region.

Biden’s trip followed up on a visit to the US in January of this year by Chinese President Hu Jintao. That visit set the tone for the bilateral relationship, emphasizing the positive and the need for the two countries to cooperate. While reaffirming the US desire to see relations move forward, Biden also specifically reached out to Xi, the man tapped to succeed Hu. While we know the broad outlines of his career, he remains, like so many second-rank Chinese officials, a cipher. In one of his best-known performances, two years ago in Mexico, he blamed “foreigners with full bellies and nothing better to do than engage in finger-pointing at us” for creating trouble for China. After their meetings, Biden pronounced Xi a man with whom he can do business,

pragmatic and strong. (For more details on the sit-down, see Bonnie Glaser's analysis in this issue of *Comparative Connections*.)

If bilateral relations are tough now, they will become even more difficult after the anticipated announcement of a new arms sales package to Taiwan this fall. This is expected to include a decision to upgrade Taiwan's aging *F-16A/B* fleet; the decision to replace its even older *F-5s* and *Mirages* with newer (but still old technology) *F-16C/D* is reportedly to be deferred, which should somewhat temper Beijing's response (or so it is hoped). The relationship will become even more delicate in 2012, when the US enters an election campaign and China prepares for its leadership transition. Both governments need to have confidence in its partner during that time and after. A reciprocal visit by Xi to the US later this year should help.

While most commentary focused on the China stop, it is important to remember that Biden also went to Mongolia and Japan. In Ulaanbaatar, he reminded his hosts (and other nations) of the US friendship and enduring desire for good relations. In Japan, he saw first-hand the damage done by the triple catastrophe of March 11 and pledged continuing US support. That message should be clear after *Operation Tomodachi*, but it always bears repeating – for Japanese ears and those of other nations. The US will support its allies and partners in their time of need.

Noda to the rescue?

Former Finance Minister Noda Yoshihiko is the new prime minister of Japan, besting four competitors to become president of the ruling Democratic Party of Japan (DPJ). Noda prevailed in the second round of the vote over Economy Minister Banri Kaeida in the race to succeed Kan Naoto, the hapless inhabitant of the Kantei for 15 months after taking over from the even more hapless Hatoyama Yukio. Facing approval ratings of 15 percent – from a high of 65 percent – Kan bowed to popular calls to step down when the Diet passed the third of three bills he had demanded as a condition of his resignation. Noda was elected Aug. 29, and named prime minister a day later.

Noda's win was a surprise: he came in third in most polls of the five candidates and claimed just 9 percent of voters in a national poll taken before Monday's vote. Still, he is a five-term Diet member and a graduate of the first class of the Matsushita Seikei Juku (a training school for politicians). Significantly, he is the first DPJ president who was not one of the party's founding leaders. His election represents the rise of a new group of DPJ players, even if, at 54, he is a little long in the tooth to be called "next generation."

His policy profile will comfort conservatives. He is a supporter of the US-Japan alliance and hawkish on China, criticizing its defense buildup and its "high handed foreign posture." His views on history veer uncomfortably to the right: he has said that the wartime leaders convicted after World War II weren't criminals and that visits to Yasukuni Shrine should not be controversial. Difficulties in relations with China and South Korea look inevitable. On economic policy, he is a fiscal conservative, endorsing higher taxes to get the country's books in order. He insists that the triple catastrophe of March 11 shouldn't be an "excuse" to postpone efforts to rein in the country's debt burden. When he gets down to business, however, he is likely to focus on domestic issues, and downplay his more radical views to avoid distraction.

A self-deprecating politician – he calls himself “a man of mediocrity” – who commands respect for having a steady hand and even temperament, some observers liken Noda to former Prime Minister Obuchi Keizo, a genial but bland politician who is perhaps best remembered for being said to have “all the pizzazz of cold pizza.” A steady hand is a good thing – and a marked departure from his immediate predecessors as PM – but we fear that isn’t going to be enough. Japan needs vision and energy; Noda doesn’t look like the person to provide it.

More worrying are the deeper structural problems that dog Japanese politics: a deeply divided DPJ, a dysfunctional political system, and a public confounded by its choices. The DPJ continues to have a rocky relationship with the bureaucrats who have experience in running the country. In retrospect, the historical political transition in 2009 was more difficult than anticipated: the DPJ knew less about the issues and how to govern than most observers anticipated. Yet its readiness to attack the bureaucrats alienated a key constituency and effectively prevented the new government from functioning. That relationship is improving, but there is a long way to go.

The DPJ remains deeply divided between factions loyal and opposed to master strategist, manipulator, and former party President Ozawa Ichiro, who despite his troubles, remains a powerful force in the DPJ. The results of the party vote show that he is no longer the king maker, but he can cause trouble. The threat of him and his supporters leaving the party is ever-present.

Party divisions transcend the simple divide between pro-and anti-Ozawa groups. In fact, neither the DPJ nor the LDP has an ideological center, and both parties’ platforms veer whenever expedient, moving to capture voters that lack a champion. This confuses voters and contributes to growing cynicism and apathy. The LDP’s “take no prisoners” mentality has compounded the difficulties of governing. Granted the DPJ has made a hash of things, but the LDP has made governing as difficult as possible. Politics is a competition, but the LDP’s zero-sum approach seems to have completely ignored any notion of national interest. In a storyline that sounds all-too-familiar to US readers, the opposition party seems focused on destruction of the incumbent government, rather than compromise to get the nation back on its feet.

Finally, there is what can only be called an absence of leadership. Japan needs a vision to unite and motivate the country and lift it out of the swamp it now inhabits -- a predicament that predated March 11, but which has become more pressing since that fateful day. That is difficult if not impossible when a prime minister can’t be sure that his own party is behind him and the opposition is going to torpedo those efforts regardless of merit. Energy is devoted to the day-to-day task of political survival rather than resuscitating the country. All of these difficulties are magnified when the public doesn’t trust its leaders or the political system. Apathy and cynicism are eroding the political system and its capacity to bring about change.

Yingluck in luck

In Thai national elections held in early July, Yingluck Shinawatra – widely viewed as a proxy for her brother, former Prime Minister Thaksin Shinawatra, deposed in 2006 by a military coup – and her Pheu Thai party won a commanding majority.

Yingluck was helped by low expectations. A businesswoman with no political experience, she proved to be a disciplined campaigner and championed her brother's populist platform – promising a 40 percent increase in the national minimum wage and free tablet PCs for nearly 1 million school children. Prime Minister Abhisit Yejjajiva, an Oxford-educated economist who has been in office since 2008, proved ineffective on the stump. He was too aloof from most voters, too obviously captive of entrenched interests, and subject to ridicule for making claims on the stump that were easily disproved – such as insisting that the government was the victim of the crackdown on protestors last year rather than the murdered demonstrators.

In the vote, Pheu Thai won 265 seats, a comfortable majority in the 500-seat Parliament. Yingluck quickly forged a broad five-party coalition that holds 300 seats in the legislature. That coalition needs to be as big and broad as possible. Thailand remains bitterly divided between the old order and the overwhelming majority of the nation, rural and urban poor who demand that democracy be real. The military and the wealthy have insisted that they prevail, despite losing every vote since they deposed Thaksin. A wide coalition will deter them from again trying to overturn the popular will by force of arms. It is a promising sign that the general who led the 2006 coup and has since formed his own party is working with Pheu Thai.

The lady makes a visit

Another woman made headlines in Southeast Asia when Burmese opposition leader Aung San Suu Kyi in August took her first visit to the countryside since she was released from house arrest in November. She visited two towns north of Rangoon, and made a 10-minute speech calling for support of her political party, the National League of Democracy (NLD). Reportedly thousands of well-wishers lined the road to greet her and hundreds heard her speak. The events were peaceful, despite government “fears” of unrest. The last time she traveled outside the city to meet supporters, her entourage was attacked by unknown assailants and several people died – a move that prompted the government to put her under house arrest for seven years.

While the relaxation of restrictions on Suu Kyi was long overdue, the permission to let her travel reflects the government's growing confidence. After holding elections last year and handing over power to a civilian administration, political winds have shifted. While the ballot was flawed – the new government is by most accounts military rule by thinly veiled proxy, thousands of political prisoners remain behind bars, and the government is still trying to suppress ethnic groups – political change has occurred and the regime has the upper hand. Critics must now respond.

In August, Suu Kyi also held her second meeting with the minister for labor and social welfare and they agreed to cooperation on national stability and development. The day that meeting took place, the government information minister urged Suu Kyi to officially register the NLD as a party (the party was ordered dissolved when it refused to register for last November's vote). The move is canny: while it would allow the NLD to take part in politics, it also implies NLD recognition of the new government's legitimacy. It would also undermine the argument of outsiders that they should not do business with that government.

A self-inflicted wound

In about as ugly a process that can be imagined – and we assume a sordid imagination – the US Congress managed to strike a deal Aug. 2 to extend the debt ceiling and avert a default on debt payments. The particulars of the deal aren't particularly important here, especially since it is our belief that both parties will use the 2012 national elections to claim a mandate to undo the more onerous outcomes; the way it was done and the impact on perceptions of the US are our focus. In a word, it is ugly. The debt deal has damaged perceptions of US credibility and its image as a responsible power. It is hard to talk about leadership after the August spectacle.

Weirdly, the US budget process consists of two steps: legislative approval of a budget and then a subsequent vote to allow the government to borrow the money needed to implement that budget. (The second step is needed because the US usually spends more money than it takes in revenue.) Since 1962, Congress has voted 74 times to raise the debt ceiling; 30 times since 1980. The US would have hit the ceiling on Aug. 2 and, absent agreement to raise it again, would have been forced to rely on cash in hand – rather than borrowings – to pay bills that came due. Since that amount is much less than the bills, the US would have gone into default. A number of legislators seemed to think that wasn't a problem and believed that they could use the threat of default to press a domestic agenda – a massive downsizing in the size of the US government. (While we aren't going to debate the merits of those positions, we do abhor the notion of playing chicken with US international credibility and engaging in hostage taking of this scale.)

At the last minute, the parties struck a deal that extends the ceiling by \$2.4 trillion through 2013 and calls for \$900 billion in budget cuts over 10 years. It set up a special congressional committee to identify up to \$1.5 trillion in additional deficit reductions, through tax reform and future cuts in programs. If the committee can't come up with \$1.2 trillion in savings, then spending cuts kick in automatically. In theory, these cuts are to programs favored by both parties; ostensibly this will prod them to make a deal.

During the negotiations, lawmakers' behavior seemed to be aimed more at setting the stage for next year's elections than resolving a fiscal crisis. The implications of that display were quickly evident: days after the vote Standard & Poor's downgraded the US debt rating by one notch. S&P's chief complaint was the process rather than the deal, insisting that the spectacle raised questions about the long-term ability of the US to manage its fiscal situation.

That view was shared by other observers. Peter Drysdale of Australia National University, is worth quoting at length. "The antics of the Congressional leadership and the cynical, half-baked nature of the deal that they put in place has downgraded US economic and political assets around the world. How the leadership of such a great country can have come to convey to global economic and political markets the appearance of being a bunch of street brawlers at this fragile moment in history, and inflicted such wounds on American and global recovery, is both terrifying and tragic." At meetings and conferences, friends of the US comment on what transpired with dismay. All the flaws in US politics have been made plain to the world.

There is potentially more at stake than that, however. There are worries that this congressional paralysis may hamper executive decision-making; and this is on top of the very real concerns

about the impact of fiscal restraint on US foreign and security policy. It diminishes faith in the US ability to pay its bills, which is problematic given US reliance on debt financing for just about everything and raises questions about US staying power in Asia, recent assurances by Obama, Clinton, Gate, and others notwithstanding.

Asia Pacific Economic Cooperation (APEC) leaders to descend on Hawaii

Looking toward the future, in November, the US hosts the 2011 APEC Leaders Meeting. A week of events in Honolulu is the wrap-up to a year-long set of programs across the US intended to showcase US commitment to trans-Pacific trade and economic integration. Readers who are in Honolulu on Nov. 4 during the run-up to APEC are invited to observe the Pacific Forum's Hawaii Emerging Leaders Program on APEC 2011, focused on "Climate Change in APEC Member Economies" at the State Capital. Undergraduate and graduate students interested in participating should contact us at pacificforum@pacforum.org.

Speaking at a press conference at the May meeting of APEC trade ministers, held in Big Sky, Montana, US Trade Representative Ron Kirk explained that the US sees 2011 as "a watershed year" for the US and for APEC as a whole. The US has identified three priorities for the year:

Strengthening regional economic integration and expanding trade. This entails working to define, shape, and address the next-generation trade and investment issues that should be included in 21st century trade agreements in the region, including a Free Trade Area of the Asia-Pacific (FTAAP).

Promoting green growth. Building on previous statements of support for this item, the US seeks commitments to take specific actions to promote green growth and help economies make a successful transition to a clean energy future.

Expanding regulatory cooperation and advancing regulatory convergence. Again, the US wants to build on earlier work by pushing forward practical, concrete outcomes related to regulatory convergence and cooperation. US representatives stress that this is not harmonization of standards and regulations, but some convergence.

Coming on the heels of the disappointing APEC Forum in Yokohama last year, there is some concern that lofty rhetoric notwithstanding, US interest and enthusiasm in APEC are on the wane. Some fear that fatigue and increasingly stretched diplomatic resources will oblige Washington to focus more in the future on the Trans-Pacific Partnership. A lot rides on the November outcome.

Osama bin Laden is dead!

Lest we forget, this reporting period began with the daring US Navy SEAL raid on May 1 that resulted in the killing of Osama bin Laden. The strike produced a treasure trove of documents that were taken from bin Laden's compound in the town of Abbottabad, a garrison town about 40 miles north of Islamabad that is home to Pakistan's premier military academy. It also strained US relations with Pakistan as the government there complained bitterly about the invasion of its

sovereignty and not being informed in advance of the raid – as well as denied any knowledge of bin Laden’s presence and shrugged off the embarrassment it created. While burnishing President Obama’s national security credentials, the killing had little impact on regional relations, apart from those detailed in Sheldon Simon’s chapter on Southeast Asia. US drone strikes on al-Qaeda leaders continue, making the number two spot in that organization one of the least sought-after positions in the terrorist job bank.

It remains to be seen if bin Laden’s death signals the beginning of the end of al Qaeda, as many intelligence specialists are proclaiming. More certainly, it has increased calls from many in the US, including among President Obama’s staunch supporters, for a quicker departure from Afghanistan. Stay tuned!

Regional Chronology

May – August 2011

May 1, 2011: A US Special Forces team kills Osama bin Laden at a compound inside Pakistan and recovers his body.

May 7-8, 2011: The 18th ASEAN Summit is held in Jakarta.

May 9-10, 2011: China and the US hold their third Strategic and Economic Dialogue (S&ED) in Washington DC.

May 11, 2011: US Senators Carl Levin (D-MI), John McCain (R-AZ), and Jim Webb (D-VA) release a statement calling for the reexamination of US military basing plans in East Asia, including the relocation of MCAS Futenma on Okinawa.

May 16-18, 2011: US Special Representative for North Korea Policy Stephen Bosworth visits Seoul and meets Foreign Minister Kim Sung-Hwan, Special Representative for Korean Peninsula Peace and Security Affairs Wi Sung-Lac, and Presidential Security Adviser Chun Young-Woo.

May 18-21, 2011: The fifth ASEAN Defense Ministers Meeting (ADMM) is held in Jakarta and endorses two new initiatives – the establishment of the ASEAN Peacekeeping Centers Network and the ASEAN Defense Industry Collaboration.

May 20-26, 2011: North Korea’s Kim Jong Il visits China as the guest of Hu Jintao, general secretary of the Central Committee of the Communist Party of China (CPC).

May 21-22, 2011: Leaders of Japan, China and South Korea hold a summit in Tokyo where they agree to cooperate on a number of regional issues, including nuclear safety and trade.

May 22, 2011: Trade ministers from the 21 members of the Asia Pacific Economic Cooperation (APEC) forum issue a joint statement after their meeting in Big Sky, Montana, expressing concerns about the status of world trade talks.

May 22-25, 2011: China's Defense Minister Liang Guanglie visits the Philippines. He and Philippine counterpart Voltaire Gazmin agree to avoid "unilateral actions" that could further increase tensions and acknowledge the need to ensure that the South China Sea remains stable.

May 24-28, 2011: US delegation led by Robert King, US special envoy for North Korea's human rights, visits Pyongyang to discuss food aid and to raise human rights issues.

May 26-28, 2011: Burmese President Thein Sein visits Beijing and meets Premier Wen Jiabao and President Hu Jintao. The two countries announce establishment of a strategic relationship.

May 27, 2011: Vietnam accuses Beijing of "violating" its marine sovereignty in disputed areas of the South China Sea after Chinese ships damaged a PetroVietnam exploration boat. Vietnam's Foreign Ministry calls on China to prevent any further incidents and provide compensation.

May 28, 2011: China's Foreign Ministry states that Vietnam's oil and gas operations in China's territorial waters "harms China's rights, interests, and jurisdiction in the South China Sea and violates the consensus reached by the two countries on the South China Sea issue."

June 1, 2011: North Korea's National Defense Commission (NDC) says that on May 9 the two Koreas held secret talks in Beijing. South Korea does not repudiate the story, but claims it was the North that took the initiative.

June 3-5, 2011: The Shangri-La Asia-Pacific Security Dialogue is held in Singapore.

June 6-11, 2011: The ASEAN Regional Forum (ARF) Senior Officials Meeting (SOM) and the Defense Officials Dialogue/8th ARF Security Policy Conference are held in Surabaya, Indonesia.

June 6, 2011: Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell visits Beijing for talks on bilateral and regional issues with Chinese Vice Foreign Minister Cui Tiankai and Special Representative for Korean Peninsular Affairs Wu Dawei.

June 8-9, 2011: Wi Sung-lac, Seoul's top envoy on North Korean affairs, meets Wu Dawei, China's special representative for Korean Peninsula affairs to reviving the Six-Party Talks.

June 9, 2011: North Korea amplifies its account of May's secret talks, including allegations that the South tried to use a bribe. It threatens to publish transcripts of the proceedings.

June 13, 2011: Vietnam conducts live-fire naval drills in the South China Sea about 40 km off Quang Nam province in central Vietnam.

June 14, 2011: US Ambassador to the Philippines Harry Thomas states that the US is committed to helping the Philippines in any dispute over the South China Sea.

June 14-16, 2011: China stages military exercises in the South China Sea described as being aimed at "defending atolls and protecting sea lanes."

June 15, 2011: The 10th Shanghai Cooperation Organization (SCO) Summit is held in Astana, Kazakhstan.

June 16, 2011: Radical Indonesian cleric Abu Bakar Bashir, the spiritual founder of Al Qaeda-linked Jemaah Islamiyah, is convicted of terrorism and sentenced to 15 years in jail.

June 17, 2011: Fourth annual US-Vietnam Political, Security, and Defense Dialogue led by Assistant Secretary of State for Political-Military Affairs Andrew Shapiro and Standing Vice Foreign Minister Pham Binh Minh is held in Washington.

June 21, 2011: Secretary of State Hillary Clinton and Secretary of Defense Robert Gates host Japanese Foreign Minister Matsumoto Takeiki and Defense Minister Kitazawa Toshimi for a Security Consultative Committee (“two-plus-two”) meeting in Washington.

June 21-26, 2011: Wi Sung-lac visits the US to meet Stephen Bosworth, special representative for North Korea policy, Kurt Campbell, assistant secretary of state, and Clifford Hart, the new envoy for the Six-Party Talks.

June 23, 2011: Secretary of State Clinton meets Philippine Foreign Affairs Secretary Del Rosario and affirms US security commitments.

June 25, 2011: Assistant Secretary Campbell hosts Chinese Vice Foreign Minister Cui Tiankai in Honolulu for the inaugural US-China Consultations on the Asia-Pacific region.

June 27, 2011: The US Senate unanimously approves a resolution deploring the use of force by China in the South China Sea and calling for a peaceful, multilateral resolution to maritime territorial disputes in Southeast Asia.

June 28-July 8, 2011: The Philippines and the US conduct Cooperation Afloat Readiness and Training (CARAT) joint naval exercises in the Sulu Sea. Both sides emphasize the annual event is aimed at deepening defense ties and not linked to Chinese actions in the South China Sea.

July 3, 2011: Yingluck Shinawatra and her opposition Pheu Thai Party win the elections in Thailand. The following day, Yingluck announces that she will form a coalition government comprised of five parties.

July 9, 2011: The Japanese Maritime Self-Defense Force conducts joint drills with the US and Australian navies in the South China Sea off Brunei. In the past, these drills have been conducted in seas west of Kyushu or near Okinawa.

July 9-13, 2011: Adm. Mike Mullen, chairman of the US Joint Chiefs of Staff, visits China; meets counterpart Gen. Chen Bingde and visits several military installations.

July 12-14, 2011: Singapore Armed Forces (SAF) and the Indonesian National Defence Forces (TNI) co-host the inaugural ASEAN Militaries’ Humanitarian Assistance and Disaster Relief Table-Top Exercise (AHX) in Singapore and Indonesia.

July 14-16, 2011: South Korean Defense Minister Kim Kwan-jin visits China and meets Vice President Xi Jinping. Kim and Chinese counterpart Liang Guanglie agree to establish an annual strategic dialogue.

July 15-21, 2011: Three US Navy ships make a seven-day visit to Vietnam that includes naval training exercises. Officials stress that the visits are part of routine exchanges.

July 18, 2011: The International Court of Justice rules that Thailand and Cambodia should withdraw their forces from a disputed border area adjacent to the Preah Vihear temple.

July 19-21, 2011: The 44th ASEAN Ministerial Meeting (AMM) and Post-Ministerial Conferences (PMC) with ASEAN dialogue partners are held in Bali.

July 20, 2011: China and ASEAN agree to a set of guidelines that would be part of a revised Code of Conduct on the South China Sea disputes. Secretary of State Clinton praises the new guidelines as “an important first step.”

July 22, 2011: East Asia Summit Foreign Ministers Meeting is held in Bali.

July 22, 2011: The North and South Korean chief Six-Party Talks negotiators unexpectedly hold a two-hour bilateral meeting on the sidelines of the ARF in Bali. Wi Sung-lac and Ri Yong Ho agree to make joint efforts to resume the talks as soon as possible.

July 22, 2011: The Foreign Ministers and senior representatives of the Lower Mekong Basin countries – Cambodia, Laos, Thailand, and Viet Nam – and the Secretary of State Clinton met in Bali, Indonesia for the 4th Lower Mekong Initiative (LMI) Ministerial Meeting.

July 23, 2011: The 18th ASEAN Regional Forum is held in Bali.

July 23, 2011: The two Koreas’ foreign ministers, Pak Ui Chun and Kim Sung-hwan, meet briefly but cordially at the ARF.

July 25, 2011: Truong Tan Sang is elected state president by the Vietnamese National Assembly.

July 27, 2011: South Korea and China hold their first strategic military talks, covering defense exchanges and regional security issues including North Korea. Delegations are led by ROK Vice Defense Minister Lee Yong-gul and Chinese Deputy Chief of General Staff Ma Xiaotian.

July 27-29, 2011: ASEAN naval chiefs meet formally for the first time in Hanoi.

Jul. 28-29, 2011: North Korean Vice Foreign Minister Kim Kye Gwan meets Special Envoy for DPRK Policy Stephen Bosworth in New York. Special Envoy for Six-Party Talks Clifford Hart and DPRK Human Rights Envoy Robert King also attend the meetings.

Aug. 2, 2011: Japan’s Ministry of Defense issues its *2011 Defense White Paper*.

Aug. 2, 2011: Security software vendor McAfee publishes a report about a hacking group that penetrated 72 companies and organizations in 14 countries since 2006 in an operation called *Operation Shady RAT* that stole national secrets, business plans and other sensitive information.

Aug. 7-9, 2011: South Korean Foreign Minister Kim Sung-hwan visits Russia to discuss North Korea's nuclear program among other issues with counterpart Sergey Lavrov.

Aug. 8, 2011: Foreign Minister Lavrov announces Russia will send 50,000 tons of grain to North Korea to help it cope with food shortages after devastating floods.

Aug. 9, 2011: Chinese government reports that it was hit by nearly 500,000 cyber-attacks last year, about half of which originated from foreign countries including the US and India.

Aug. 9-12, 2011: South Korean National Security Advisor Chun Yung-woo visits Washington to consult with US officials on the next steps regarding the resumption of the Six-Party Talks.

Aug. 10-14, 2011: China's aircraft carrier *Varyag* undergoes its first sea trials.

Aug. 16-26, 2011: ROK and the US conduct the annual joint military exercise *Ulchi Freedom Guardian* in South Korea.

Aug. 17-21, 2011: Vice President Joe Biden visits China and meets President Hu Jintao and Premier Wen Jiabao.

Aug. 20-25, 2011: North Korean leader Kim Jong Il visits the far eastern region of Russia and meets President Dmitry Medvedev on Aug. 24 in Ulan Ude.

Aug. 21, 2011: Police in Hanoi arrest dozens of people at an anti-China rally as they gathered for the 11th week of protests.

Aug. 21-25, 2011: Lee Myung-bak undertakes state visits to Mongolia, Uzbekistan, and Kazakhstan. He signs energy and related accords worth \$11 billion in total.

Aug. 22, 2011: Vice President Biden visits Mongolia and meets Prime Minister Sukhbaatar Batbold and President Tsakhia Elbegdorj.

Aug. 22-24, 2011: Vice President Biden visits Japan and meets Prime Minister Kan. They agree to move ahead with the realignment of US forces in Japan and Biden is quoted as saying "our alliance will continue to serve as the cornerstone of peace and security in East Asia."

Aug. 24, 2011: The Pentagon publishes its *Annual Report to Congress on the Military and Security Developments Involving the People's Republic of China*.

Aug. 25, 2011: ROK nuclear envoy Wi Sung-lac meets counterpart Wu Dawei in Beijing.

Aug. 25-27, 2011: Kim Jong Il visits Northeast China following his Russian tour and meets State Councilor Dai Binguo in Heilongjiang province on Aug. 26.

Aug. 29, 2011: PLA Deputy Chief of Staff Lt. Gen. Ma Xiaotian and Defense Minister Liang Guanglie meet Vietnamese Vice Defense Minister Nguyen Chi Vinh in Beijing. They agree to resolve the South China Sea disputes through continued consultation and dialogue.

Aug. 30, 2011: Noda Yoshihiko is confirmed in the Diet as Japan's sixth new premier in five years, replacing outgoing Kan Naoto who resigned on Aug. 26.

Aug. 30-Sept. 2, 2011: Philippine President Benigno Aquino III leads a delegation of 270 businessmen on a visit to China with stops in Beijing, Shanghai, and Xiamen.

Aug. 31, 2011: Former Deputy Prime Minister Tony Tan wins presidential election in Singapore.