PACIFIC FORUM

Founded in 1975, the Pacific Forum is a non-profit, foreign policy research institute based in Honolulu, Hawaii. The Forum’s programs encompass current and emerging political, security, economic and business issues and works to help stimulate cooperative policies in the Asia Pacific region through analysis and dialogue undertaken with the region’s leaders in the academic, government, and corporate areas.

The Forum 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. We regularly cosponsor conferences with institutes throughout Asia to facilitate nongovernmental institution building as well as to foster cross-fertilization of ideas.

A Board of Directors guides the Pacific Forum’s work. The Forum is funded by grants from foundations, corporations, individuals, and governments. The Forum’s studies are objective and nonpartisan and it does not engage in classified or proprietary work.
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 e-journal of bilateral relations in the Indo-Pacific, edited by Rob York and Brad Glosserman, with Rob York 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 the 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 reporting 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.

The online version of *Comparative Connections* is available at [https://cc.pacforum.org](https://cc.pacforum.org).
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BY RALPH COSSA, PACIFIC FORUM & BRAD GLOSSERMAN, TAMU UNIVERSITY

Joe Biden pledged that the US would resume its traditional role as leader of US alliances, supporter of multilateralism, and champion of international law and institutions. Throughout its first nine months, his administration has labored to turn those words into reality, and for the first six months the focus was on Asia, at least Northeast Asia. During this reporting period, Biden himself worked on multilateral initiatives and while the primary venues were Atlanticist—the G7 summit, NATO, and the European Union—Asia figured prominently in those discussions. Chinese behavior loomed large in European discussions as NATO allies conducted ship visits and military exercises in the region to underscore these concerns. Meanwhile, a number of senior US foreign policy and security officials visited Asia, and Southeast Asia in particular, amidst complaints of neglect from Washington. Concerns about Chinese pressure against Taiwan also grew in the region and beyond. The impact of the US withdrawal from Afghanistan, messy as it appeared to be, has thus far not resulted in a crisis of confidence regarding US commitment to the region.

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BY SHEILA A. SMITH, COUNCIL ON FOREIGN RELATIONS & CHARLES T. MCCLEAN, UNIVERSITY OF MICHIGAN

By the end of spring, the US-Japan relationship was centerstage in the Biden administration’s Indo-Pacific diplomacy. From the first Quad (virtual) Summit to the visit of Prime Minister Suga Yoshihide to Washington, DC, relations between Tokyo and Washington could not have been better. A full calendar of follow-up meetings for the fall suggested even further deepening of the partnership. And on Aug. 20, President Joe Biden announced that he intended to nominate Rahm Emanuel, former mayor of Chicago and chief of staff for President Obama, as ambassador to Japan. Throughout the summer, the US and Japan continued to deepen and expand the global coalition for Indo-Pacific cooperation. The UK, France, and even Germany crafted their own Indo-Pacific visions, as did the EU. Maritime cooperation grew as more navies joined in regional exercises. Taiwan featured prominently in US-Japan diplomacy, and in May the G7 echoed US-Japan concerns about rising tensions across the Taiwan Straits. Japanese political leaders also spoke out on the need for Japan to be ready to support the US in case tensions rose to the level of military conflict.
The downward slide in US-China relations continued as the two countries wrangled over Hong Kong, COVID-19, Taiwan, the South China Sea, Xinjiang, and cyberattacks. US Deputy Secretary of State Wendy Sherman and Chinese officials met in Tianjin but appeared to make no progress toward managing intensifying competition between the two countries. The US rolled out a series of measures against alleged Chinese forced labor practices and strengthened the prohibition against US investments in the PRC's military industrial complex. Deteriorating freedoms in Hong Kong prompted the Biden administration to impose more sanctions on Chinese officials and issue a business advisory warning US companies of growing risks to their activities in Hong Kong.

US relations with both South and North Korea were—with a few notable exceptions—uneventful during the May–August 2021 reporting period. If US–Korea relations displayed some excitement, it was largely along the Washington–Seoul axis. An inaugural leader summit between Presidents Joe Biden and Moon Jae-in took place in Washington, producing significant deliverables for the short, medium, and long term. Biden and Moon then participated in the June G7 summit in Great Britain. The US withdrawal from Afghanistan in August also provided South Korea with challenges and ponderables. Washington–Pyongyang communication was subdued, aside from standard North Korean criticism of US–South Korea joint military exercises. Even when the US and North Korea addressed each other with respect to dialogue, it was usually to underline for the other party how Washington or Pyongyang is willing to talk under the right circumstances, but capable of waiting out the other side. Late August added some spice, however, as the IAEA issued a credible report confirming what many had expected: North Korea has likely restarted fissile material production at the Yongbyon complex. Finally, outside the reporting period, Pyongyang tested a potentially nuclear–capable land–attack cruise missile on Sept. 11. Are these signs that sleeping dogs are stirring.

In the months immediately following Joe Biden’s inauguration, Southeast Asia was on the backburner in US foreign policy, but in May the administration heeded calls for a stronger voice and more active role in the region with a succession of visits by high–level officials, culminating in Kamala Harris’s first trip to the region in her role as vice president. The cumulative impact remains to be seen, but one key “deliverable”—the renewal of the US–Philippines Visiting Forces Agreement (VFA) during Secretary of Defense Lloyd Austin’s visit to Manila—was enough to label the summer strategy a success. More broadly, the administration responded to the surge of the COVID Delta variant in Southeast Asia with donations of vaccines, making considerable strides in the “vaccine race” with China and Russia.
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China’s recognition of the strategic challenge posed by close Biden administration relations with the Quadrilateral Security Dialogue (Quad) powers Australia, India, and Japan reinforced Beijing’s strong efforts to preserve and expand its advantageous position in Southeast Asia in the face of rising competition with the United States. Beijing used uniformly critical coverage of US withdrawal from Afghanistan to highlight US unreliability, and attempted to discredit Vice President Kamala Harris’ Aug. 22-26 visit to the region, the highpoint of Biden government engagement with Southeast Asia. It also widely publicized evidence of China’s influence in the competition with the United States in Southeast Asia, even among governments long wary of China, like Vietnam. That effort underlined the lengths Vietnam would go to avoid offending China in reporting that Hanoi allowed the Chinese ambassador to publicly meet the Vietnamese prime minister and donate vaccines, upstaging Vice President Harris, who hours later began her visit and offered vaccines.

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Cross-Straits tensions intensified between May and August 2021. Despite the superficial calm that generally prevailed after the dramatic confrontations earlier in the year, China again blocked Taiwan’s participation at the World Health Assembly (WHA), and Xi Jinping reaffirmed the Communist Party’s commitment to the peaceful reunification of Taiwan at the Party’s 100th anniversary. Chinese military flights into Taiwan’s Air Defense Identification Zone were almost routine until China launched 28 sorties in a single day to protest the G7 summit’s endorsement of Taiwan’s participation in the WHA. The Biden administration announced its first arms sales to Taiwan. Several countries, most notably Japan and Australia, made their strongest statements ever in support of Taiwan. Lithuania announced it would permit the opening of an unofficial “Taiwanese” representative office. Beijing withdrew its ambassador from Lithuania and told Lithuania to withdraw its ambassador from Beijing. The US dismissed fears that its withdrawal from Afghanistan might portend abandonment of Taiwan. In coming months, Taiwan faces three potential turning points: Taiwan’s opposition Nationalist Party will elect a new chair; a referendum could overturn the opening of Taiwan’s market to US pork; and the US has signaled it will invite Taiwan to President Biden’s democracy summit despite threats of military retaliation by China.
SUMMER FALSE DAWN: ON/OFF COMMUNICATIONS

BY AIDAN FOSTER-CARTER, LEEDS UNIVERSITY, UK

Summer 2021 saw a false dawn on the Korean Peninsula, hardly the first, but surely one of the shortest. On July 27 both North and South announced the reconnection of inter-Korean hotlines, severed for over a year. In Seoul, hopes were high—aren’t they always?—that this signaled a fresh willingness by Pyongyang to engage, not only with South Korea but also the US. Yet this “breakthrough” lasted barely a fortnight. When the US and ROK began their regular August military exercises—albeit scaled back and wholly computer-based — North Korea snarled and stopped answering the phone. Inter-Korean relations remain frozen, as they have been ever since early 2019. With Moon Jae-in’s presidency due to end next May, any real melting of the ice looks increasingly like a challenge for his successor.

ALLIANCE RESTORATION AND SUMMIT COMMEMORATIONS

BY SCOTT SNYDER, COUNCIL ON FOREIGN RELATIONS & SEE-WON BYUN, SAN FRANCISCO STATE UNIVERSITY

South Korea President Moon Jae-in’s meeting with Joe Biden and his participation in the G7 summit during May and June focused attention on Seoul’s strategy of balancing relations with China and the United States. While Beijing disapproved of the US–ROK joint statement released after the May summit, Chinese state media praised the Moon administration’s relative restraint in joining US-led coalition-building against China. Official remarks on core political and security issues, however, raised mutual accusations of interference in internal affairs. US–China competition and South Korean domestic political debates amplify Seoul’s dilemma regarding its strategic alignment ahead of the country’s 2022 presidential elections.

A CHILLY SUMMER

BY JUNE TEUFEL DREYER, UNIVERSITY OF MIAMI

China and Japan continued to vie over a wide variety of issues including economic competitiveness, jurisdiction over territorial waters, World War II responsibilities, representation in international organizations, and even Olympic and Paralympic medals. The Japanese government expressed concern with the increasingly obvious presence of Chinese ships and planes in and around areas under its jurisdiction, with Chinese sources accusing Japan of a Cold War mentality. Nothing was heard of Xi Jinping’s long-planned and often postponed official visit to Tokyo. Also, Chinese admonitions that Japan recognize that its best interests lay not with a declining United States but in joining forces with a rising China were conspicuous by their absence.
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In the summer months of 2021, the big question for many observers was whether Prime Minister Suga Yoshihide and President Moon Jae-in would hold their first summit meeting during the Tokyo Olympic Games. Cautious hope was in the air, especially on the South Korean side. However, by the time the Olympics opened in late July, any such hope was dashed amid a series of unhelpful spats. Seoul and Tokyo decided that they would not gain much—at least not what they wanted from the other—by holding a summit this summer. With Suga’s announcement of his resignation as head of the Liberal Democratic Party (LDP) at the end of September, barring any sudden turn of events, his tenure as Japanese prime minister will be recorded as one that did not have a summit with a South Korean president.

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BY YU BIN, WITTENBERG UNIVERSITY

The summer of 2021 may be the best and worst time for Russia–China relations. There was much to celebrate as the two powers moved into the third decade of stable and friendly relations, symbolized by the 20th anniversary of both the Shanghai Cooperation Organization (SCO) and the “friendship treaty” (The Treaty of Good–Neighborliness and Friendly Cooperation Between the People’s Republic of China and the Russian Federation). This historical moment, however, paralleled a hasty and chaotic end to the 20-year US interlude in Afghanistan with at least two unpleasant consequences for Beijing and Moscow: a war-torn Afghanistan in their backyard with an uncertain future and worse, a United States now ready to exclusively focus on the two large Eurasian powers 30 years after the end of the Cold War. As the Afghan endgame rapidly unfolded in August, both sides were conducting large exercises across and around Eurasia. While Afghanistan may not again serve as the “graveyard of empires” in the 21st century, but then end of the US engagement there, however, will usher in an era of competition, if not clashes, between rival empires.

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GRAEME DOBELL, AUSTRALIAN STRATEGIC POLICY INSTITUTE

Australia closed its borders to confront COVID-19 and rode out recession, while China shut off key markets to punish Australia. The short recession caused by pandemic ended Australia’s record run of nearly three decades of continuous economic growth; Beijing’s coercion crunched the optimism of three decades of economic enmeshment. However, Australia’s economy rebounded while the China crunch continues, causing Australia to question its status as the most China-dependent economy in the developed world. The Canberra–Beijing iciness has built over five years, marking the lowest period since the establishment of diplomatic relations in 1972. In 2021, the language of “strategic partnership” died and the “strategic economic dialogue” was suspended by China. The Biden administration promised not to abandon Australia, saying that US–China relations would not improve while an ally faced coercion. Australia embraced Washington’s assurance, along with the elevation of the Quad with the US, Japan, and India.

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Joe Biden pledged that the US would resume its traditional role as leader of US alliances, supporter of multilateralism, and champion of international law and institutions. Throughout its first nine months, his administration has labored to turn those words into reality, and for the first six months the focus was on Asia, at least Northeast Asia. During this reporting period, Biden himself worked on multilateral initiatives and while the primary venues were Atlanticist—the G7 summit, NATO, and the European Union—Asia figured prominently in those discussions. Chinese behavior loomed large in European discussions as NATO allies conducted ship visits and military exercises in the region to underscore these concerns. Meanwhile, a number of senior US foreign policy and security officials visited Asia, and Southeast Asia in particular, amidst complaints of neglect from Washington. Concerns about Chinese pressure against Taiwan also grew in the region and beyond. The impact of the US withdrawal from Afghanistan, messy as it appeared to be, has thus far not resulted in a crisis of confidence regarding US commitment to the region.
Trans-Atlantic Meetings with an Asian Flavor

At the June G7 meeting that British Prime Minister Boris Johnson hosted in Cornwall, the leaders pledged to donate over 1 billion doses of COVID vaccines to help developing nations overcome the pandemic. Significantly (and for our purposes), they also expressed “serious concern” over China’s maritime advancement and stressed the importance of peace and stability in the Taiwan Strait, the first-ever mention of the Taiwan Strait by the G7. China also hovered over the group’s deliberations when attendees agreed to launch an initiative to help developing nations build infrastructure, a project that aimed to counter China’s Belt and Road Initiative. Build Back Better World (BBBW) will help low- and middle-income nations around the world address their “tremendous infrastructure needs.” Through it, “the G7 and other like-minded partners will coordinate to mobilize private-sector capital in four areas—climate, health and health security, digital technology, and gender equity and equality—with catalytic investments from our respective development finance institutions.”

At the EU and NATO meetings that Biden attended afterward, China was also prominent on the agenda. US and European leaders said that they would “closely consult and cooperate on the full range of issues” as they deal with China, addressing “ongoing human rights violations in Xinjiang and Tibet; the erosion of autonomy and democratic processes in Hong Kong; economic coercion; disinformation campaigns; and regional security issues.” The latter included “the situation in the East and South China Seas,” and the leaders “strongly oppose any unilateral attempts to change the status quo and increase tensions.” Again, Taiwan was mentioned: “We underscore the importance of peace and stability across the Taiwan Strait, and encourage the peaceful resolution of cross-Strait issues.” Importantly, while the statement acknowledged the need to cooperate with Beijing, it explicitly called for efforts “to coordinate on our constructive engagement with China on issues such as climate change and non-proliferation, and on certain regional issues.” The US-EU joint statement also backed the G7 pledge to help Build Back Better, efforts to provide 2 billion COVID vaccines, and launched a Joint EU–US COVID Manufacturing and Supply Chain Taskforce “to deepen cooperation and identify and resolve issues around expanding vaccine and therapeutics production capacity, including by building new production facilities, maintaining open and secure supply chains, avoiding any unnecessary export restrictions, and encouraging voluntary sharing of know-how and technology on mutually-determined terms…”

The NATO summit covered similar ground, although its statement understandably focused more on security issues. It noted “China’s growing influence and international policies can present challenges that we need to address together as an Alliance” and promised to “engage China in constructive dialogue ... with a view to defending the security interests of the Alliance.” It asserted that “China’s stated ambitions and assertive behavior present systemic challenges to the rules-based international order and to areas relevant to Alliance security” and the group expressed concern about “coercive policies which stand in contrast to the fundamental values enshrined in the Washington Treaty.” The NATO statement defined the China threat—and its response to it—broadly. It requires efforts “to protect critical infrastructure, strengthen resilience, maintain our technological edge, and address these challenges to the rules-based international order.”

The alignment of views is salutary but there are worries about important distinctions between US and European thinking about China. There is considerably less enthusiasm in Europe than in the US about building an “anti-China” coalition, although that isn’t a fair characterization of US policy. After all, the US isn’t opposed to all engagement with Beijing. The trick will be containing trans-Atlantic tension and friction when governments draw different lines. It isn’t impossible but it will take work, patience, and understanding of the other side’s interests and
equities. Much will depend on the tone set by the top leadership; questions about US thinking may have been (temporarily) assuaged, but there will soon be a new leader in Berlin, which could be a new source of discord.

Naval Deployments are All the Rage

While some credit (or blame) the US for getting or elevating China on the trans-Atlantic agenda, those governments on their own are evincing greater interest in and concern about the Indo-Pacific. The French–led exercises in the Bay of Bengal that included for the first time all the Quad navies—the US, Japan, Australia, and India—in April. The following month, US, Japanese, Australian, and French forces held a joint military drill in the East China Sea, the first time France had joined such exercises.

In July, nine countries joined the US–Australia Talisman Sabre joint exercises. Among the participating militaries were forces from Japan, the UK, Canada, South Korea, and New Zealand while India, Indonesia, Germany, and France were observers.

Following Japan’s urgings last year, in August Germany dispatched a warship for a six-month deployment that will include a transit of the South China Sea for the first time in two decades. As Foreign Minister Heiko Maas explained, “We aim to be involved and to take responsibility for maintaining the rule-based international order.” Defense Minister Annegret Kramp-Karrenbauer added that “For our partners in the Indo-Pacific, it is a reality that sea routes are no longer open and secure, and that claims to territory are being applied by the law of might is right.” In the Indo-Pacific region, “important decisions on peace, security and prosperity will be made,” Kramp–Karrenbauer said.

And as summer drew to a close, the HMS Queen Elizabeth made the first port call in Japan by a British aircraft carrier when it arrived at the Yokosuka naval base. The British carrier strike group conducted joint exercises with the US Navy, Japan’s Maritime Self-Defense Force, and a Dutch frigate in late August. The head of the strike force, Commodore Steve Moorhouse, said the visit demonstrates “the UK's commitment to investing in our partnership with Japan.” Japanese Defense Minister Kishi Nobuo said the visit, like that of other European nations, will contribute to peace and security and signals the transition of the Japan–UK defense relationship to a new stage.

Southeast Asia in the Spotlight

Last trimester’s focus was clearly on Northeast Asia and the broader Indo-Pacific, with the first (virtual) Quad summit (involving Australia, India, Japan, and the US) plus Japan and Korea 2+2 meetings and other senior–level gatherings. This trimester the focus shifted southward with a number of high-level visits, including Vice President Kamala Harris’ first major overseas trip, to the region.

Harris’ visit was preceded by a week–long visit to Singapore, Vietnam, and the Philippines by Secretary of Defense Lloyd Austin in July. Both visits focused on the joint effort to combat COVID. But security issues were not overlooked. During his Fullerton Lecture to the IISS in Singapore (the annual IISS Shangri-La Dialogue was canceled this year due to COVID concerns), he reaffirmed “enduring American commitments” and stressed the “strategic imperative of partnership”: “I’ve come to Southeast Asia to deepen America’s bonds with the allies and partners on whom our common security depends. Our network of alliances and friendships is an unparalleled strategic asset. And I never take an ally for granted.” Austin stressed his 21st-century vision of integrated deterrence: “using every military and non–military tool in our toolbox, in lock–step with our allies and partners. ... using existing capabilities, and building new ones, and deploying them all in new and networked ways.”

Concern about stability across the Taiwan Strait, noted in prior US statements with Japan, Korea, Australia, and European allies but rarely discussed with Southeast Asians, also figured
prominently in Austin’s comments in Singapore and elsewhere: “we are working with Taiwan to enhance its own capabilities and to increase its readiness to deter threats and coercion ... upholding our commitments under the Taiwan Relations Act, and consistent with our one-China policy.”

Vice President Harris’ trip in August was aimed at reinforcing US commitment to the region and the timing could not have been better (or worse, depending on one’s point of view), coming in the midst of the troubled Afghan withdrawal. At her joint press conference with Singapore Prime Minister Lee Hsien Loong, she reaffirmed “the United States’ commitment to working with our allies and partners around the Indo-Pacific to uphold the rules-based international order and freedom of navigation, including in the South China Sea.”

Prime Minister Lee addressed the question of US commitment to the region in the wake of the then-in progress Afghan withdrawal head on: “what will influence perceptions of US resolve and commitment to the region will be what the US does going forward, how it repositions itself in the region, how it engages its broad range of friends and partners and allies in the region, and how it continues the fight against terrorism. ... There have also been, over decades, dramatic transformations in Asia, wrought by the benign and constructive influence of the United States as a regional guarantor of security and support of prosperity. And Singapore hopes and works on the basis that the US will continue to play that role and continue to engage the region for many more years to come.” More on this subject later.

Secretary of State Antony Blinken also (virtually) participated in a series of ASEAN–related forums including the US–ASEAN and ASEAN Regional Forum (ARF) ministerials and a prep session for this fall’s East Asia Summit. The virtual format allowed him to participate with, without being in the same room as, his Myanmar counterpart. North Korea’s ambassador to Indonesia, An Kwang Il, also attended the ARF session. While a State Department official said that no back-and-forth occurred between An and Blinken, he noted that “In terms of possible discussions down the road, the secretary mentioned that he was open to different possibilities,” and he hoped that “the DPRK side heard us and will take those messages back to Pyongyang, and we’ll see what happens.” Nonetheless, Blinken “reiterated an interest in a sort of comprehensive, verifiable, irreversible denuclearization of the Korean Peninsula.”

Blinken made the usual statements in support of ASEAN centrality, as did the ARF Chairman’s Statement issued by this year’s host, Brunei. We talked in our last report about how ASEAN, at Indonesia’s insistence, had stepped up, tentatively, in proclaiming a Five Point Consensus on dealing with the turmoil in Myanmar. While welcoming Myanmar’s “commitment” to this plan, the Statement sadly noted that, with the exception of the appointment of Brunei’s second foreign minister as Special Envoy, literally nothing had been done to halt the violence. It did note that “the Meeting also heard calls for the release of political detainees including foreigners,” a pointed reference to the sixth Consensus item which did not make the cut in Jakarta.

APEC Comes Together to Fight COVID

New Zealand, the chair this year of the Asia-Pacific Economic Cooperation (APEC) forum, held an extraordinary virtual “informal leaders’ retreat” in July that focused on efforts to overcome the COVID-19 pandemic. Acknowledging that the outbreak is having “a devastating impact on our region’s people and economies”—there have been over 50 million cases of COVID in APEC countries, claiming more than 1 million lives and shrinking GDP across the group by a collective 1.9%—the leaders promised to “[accelerate] equitable access to safe, effective, quality-assured, and affordable COVID-19 vaccines” to fight the pandemic. They said that they would “redouble our efforts to expand vaccine manufacture and supply, support global vaccine sharing efforts, and encourage the
The voluntary transfer of vaccine production technologies on mutually agreed terms. The key, as New Zealand Prime Minister Jacinda Ardern, APEC 2021 chair, explained after the meeting, was moving beyond vaccine nationalism to a concerted “global vaccination effort—making vaccines, sharing vaccines and using vaccines.”

This was the first-ever extraordinary meeting, and the rhetoric was a pointed contrast with recent APEC leaders get-togethers. The group couldn’t reach consensus to issue a communique in 2018, the 2019 meeting in Chile was canceled because of domestic protests, and last year host Malaysia had to scramble to organize a virtual leaders chat as the pandemic intensified. In June, APEC trade ministers agreed to review trade barriers and expedite the cross-border transit of vaccines and related goods, but they would not commit to eliminating all related tariffs. The issue will likely be taken up again at the annual leaders meeting, currently scheduled for November, which will hopefully be held in person.

Afghan Withdrawal Undercuts Biden’s Plan to Focus on Real Challenges

In April, President Biden announced that he would withdraw all US troops from Afghanistan by Sept. 11, the 20th anniversary of the al-Qaeda attacks on the United States. He reiterated that pledge in July, repeating his logic and noting that preparations were underway, emphasizing the readiness to evacuate and welcome the thousands of Afghans who had assisted the allied effort and whose lives would be threatened if the Taliban were to return to power.

In mid-August, the government of Afghanistan collapsed, President Ashraf Ghani fled the country, and the military handed over its weapons to the Taliban and melted away. The world watched as chaos descended on Kabul’s Hamid Karzai airport as thousands of Afghans tried to escape the country and the Taliban. All belied the notion that the US had prepared for withdrawal and instead offered an image of confusion and incompetence, raising questions of US credibility, capability, and commitment. A terrorist attack by ISIS–K on the airport, which claimed the lives of 13 US service personnel and more than 100 Afghans, underscored the seeming re-emergence of the threat the 2001 invasion of Afghanistan was supposed to end.

In fact, the chaos was temporary and by the time the last US serviceperson had left the country over 100,000 people had been evacuated. Echoing Prime Minister Lee’s earlier cited comments, other friends and allies in Asia insisted that their faith in the US remained strong; they distinguished their relationships with the US from that of Afghanistan. More importantly, Biden argued that withdrawal was intended to facilitate a focus on the real challenges of the 21st century, “the strategic competition with China and other nations that is really going to determine—determine our future.” If Biden can do that, and that new focus can be sustained, then US credibility and capability should be enhanced rather than diminished by this grim episode.
REGIONAL CHRONOLOGY

MAY – AUGUST 2021

May 3, 2021: Japanese government lodges diplomatic protest against the presence of a Chinese marine research vessel conducting unauthorized research within Japan’s Exclusive Economic Zone, the first confirmed incursion around the Okinawa area since July 2019.

May 4, 2021: US Secretary of State Antony Blinken calls for coordinated efforts to denuclearize North Korea at the G7 summit.

May 5, 2021: G7 foreign ministers, including those from Japan and the US, issue a joint statement warning China not to escalate cross-strait tensions with Taiwan.

May 5, 2021: US Defense Secretary Lloyd Austin suggests a new concept of integrated deterrence that calls for Japan to assume a role in the numerous chokepoints of the Nansei Islands group.


May 6, 2021: China suspends its Strategic Economic Dialogue with Australia.

May 9, 2021: China and Indonesia conduct a joint naval exercise off the coast of Jakarta.


May 16, 2021: For the first time, the Japanese government publicly identifies China as responsible for a cyberattack.

May 12, 2021: State Department transmits its 2020 Annual Report on International Religious Freedom to Congress and announces sanctions against Chinese citizen Yu Hui, former Office Director of the “Central Leading Group on Preventing and Dealing with Heretical Religions” for his involvement in human rights violations such as the detention of Falun Gong practitioners.

May 14, 2021: Hong Kong police freeze the assets of media mogul Jimmy Lai, citing the National Security Law.

May 17, 2021: Japanese Prime Minister Suga Yoshihide and Vietnamese Prime Minister Pham Minh Chinh have phone talks discussing China’s maritime actions and cooperation.

May 18, 2021: President Joe Biden says that the United States will provide up to 80 million doses of COVID-19 vaccines to other countries by the end of next month, reiterating his pledge to turn the US into an “arsenal” of vaccines for the entire world.

May 18, 2021: US Senate passes the Endless Frontier Act 86–11. It would provide $120 billion to expand research into cutting-edge technologies to make the US more competitive with China.

May 19, 2021: Prime Minister Suga and Philippine President Rodrigo Duterte agree to cooperate in maintaining regional peace and stability during phone talks.

May 20, 2021: Chinese military’s Southern Theatre Command says USS Curtis Wilbur illegally entered waters near the Paracel islands without permission, which violates its sovereignty and undermines regional peace and stability.
May 20, 2021: Secretary Blinken and Russian Foreign Minister Sergey Lavrov meet in Reykjavik on the sidelines of the Arctic Council meeting.

May 20, 2021: Chinese President Xi Jinping and Russian President Vladimir Putin join the groundbreaking ceremony for the construction of four nuclear reactors made with Russian technology via video conference.

May 21, 2021: Japanese apparel companies World and Mizuno announce they will stop using Xinjiang cotton in response to allegations of human rights abuses by the Chinese government.

May 22, 2021: President Biden meets South Korean President Moon Jae-in, the second foreign leader Biden hosts in Washington. During a joint press conference, Biden announces appointment of Sung Kim as special envoy for North Korea. Moon announces a joint decision with the US to end guidelines that restricted Seoul’s development of missiles, and an agreement to work together to build stable supply chains for semiconductors, electric vehicle batteries, and medical supplies.

May 22, 2021: China and the Philippines hold talks on the South China Sea under a bilateral consultation mechanism set up in 2016 to address tensions in the maritime dispute. Senior officials from both sides confirm that the talks are “friendly and candid.”

May 24, 2021: Indonesian Investment Minister Bahlil Lahadalia announces that state-owned Indonesia Battery Corporation and South Korea’s LG will build a new $1.2 billion battery plant in Bekasi, Indonesia.

May 25, 2021: Meeting between Secretary Blinken and Southeast Asian foreign ministers is rescheduled for next week due to a technical glitch on the US end.

May 25, 2021: 16th China–Russia strategic security consultation is held in Moscow.

May 26, 2021: US Ambassador to Indonesia Sung Kim begins work as a special representative for North Korea, speaking with his Japanese counterpart, Takehiro Funakoshi.

May 27, 2021: Brunei, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam propose to Liechtenstein to drop the Myanmar arms embargo.


May 27, 2021: Shanghai Cooperation Organisation holds an online meeting of experts to prepare for the first meeting of Security Council Secretaries in Tashkent.

May 28, 2021: South Asian countries, such as Sri Lanka and Bangladesh, turn to China for vaccines for COVID-19 after India’s suspension of vaccine exports.

May 28, 2021: Japanese and EU leaders release joint statement that “underscored the importance of peace and stability across the Taiwan Strait” and calls for “enhanced cooperation for a free and open Pacific.”

May 28, 2021: 38 North says that North Korea appears to be continuing activities at its Yongbyon nuclear complex but no clear evidence has been detected to determine if spent fuel rods have been transferred from the storage facility to produce plutonium.

May 29, 2021: Philippines lifts ban in Filipino workers traveling to Saudi Arabia for jobs.

May 31, 2021: Malaysia’s foreign ministry accuses China of violating its airspace and emphasizes that national security is uncompromising.
May 31, 2021: North Korea slams US lifting of missile restrictions on South Korea as a “stark reminder” of Washington’s hostile approach to Pyongyang, saying the recently unveiled US policy on North Korea is “just trickery.”

June 1, 2021: Taiwan cuts water supply for chip-making hub Taichung because of drought.

June 2, 2021: Indonesian government ends the salvage efforts to retrieve a sunken submarine that claimed 53 lives.

June 2, 2021: Secretary Blinken has called on NATO members to deepen their cooperation with South Korea amid US efforts to reinforce cooperation between US allies.

June 2, 2021: Cambodian Defense Minister Tea Banh announces that China will help expand and modernize Ream port, Cambodia’s largest naval base.

June 3, 2021: Suga, speaking at Pacific Islands Leaders Meeting, urges the 18 nations to unite against authoritarianism and in favor of freedom navigation in the high seas and respect for international law.


June 4, 2021: Hong Kong police bans vigil commemorating the crackdown of the 1989 Tiananmen Square protests.

June 4, 2021: Japanese Coast Guard confirms presence of four China Coast Guard vessels in the contiguous zone off the Senkaku/Diaoyu Islands; they mark a record 112 consecutive days of such intrusions.

June 5, 2021: Ministers from APEC commit to work to facilitate movement of essential goods and COVID-19 vaccines.

June 6, 2021: As three US senators visit Taiwan, President Tsai Ing-wen expresses gratitude for the US plan to donate 750,000 COVID–19 vaccine doses to Taiwan.

June 7, 2021: US and Japan begin their annual Orient Shield military exercise.

June 7, 2021: Chinese State Councillor and Foreign Minister Wang Yi attends and co-chairs meetings with foreign ministers of ASEAN countries.

June 8, 2021: US and Australian authorities arrest suspected organized crime figures in 18 countries as a result of the two countries’ joint operation.

June 8, 2021: US Senate Committee on Armed Services holds a hearing entitled “The United States’ Strategic Competition with China.”

June 9, 2021: Samoa’s leader Tuilaepa Sailele Malielegaoi promises to build a port at Vaiusu, west of the capital Apia, with $100 million in Chinese aid.

June 9, 2021: President Biden revokes executive orders targeting Chinese–owned TikTok and WeChat apps initiated by President Trump and signs a new order directing the Commerce Department to evaluate all software applications with potential ties to foreign adversaries including China and take action to protect data on US citizens gathered by the apps.

June 9, 2021: Secretary of Defense Austin issues a directive to reorient the US military to better compete with Beijing. Few details are known, but its said to contribute to whole-of-government efforts to address challenges from China.

June 10, 2021: China’s legislature, the National People’s Congress, passes Anti–Foreign Sanctions Law to provide a legal foundation to counter US and EU sanctions over trade, technology, Hong Kong, and Xinjiang.
June 12, 2021: At G7 summit, leaders commit to creating an infrastructure financing mechanism to serve as an alternative to China’s Belt and Road Initiative.

June 13, 2021: G7 leaders pledge to donate more than 1 billion doses of COVID vaccines to help developing nations overcome the pandemic. G7 nations also issue a joint statement calling for the complete denuclearization of North Korea, welcoming the commitment of Washington to engage with Pyongyang through diplomacy, as well as a criticisms of China’s human rights abuses in Xinjiang, calls for Hong Kong to maintain a high degree of autonomy, and emphasis on the importance of peace and stability across the Taiwan Strait. China denounces the statement.

June 14, 2021: Myanmar’s opposition leader and Nobel Peace Prize laureate Aung San Suu Kyi goes on trial for corruption charges.

June 14, 2021: China flies 28 warplanes into Taiwan-controlled airspace, the biggest sortie of its kind since the Taiwanese government began publishing information about incursions last year.

June 14, 2021: Philippine Foreign Affairs Secretary Locsin announces that Manila will further delay its decision to suspend the Visiting Forces Agreement with the US, citing tension in disputed waters in the South China Sea between the Philippines and China.

June 14, 2021: Heads of state and government at the NATO summit release a statement noting that “China’s growing influence and international policies can present challenges that we need to address together as an Alliance” and promised to “engage China in constructive dialogue ... with a view to defending the security interests of the Alliance.”

June 15, 2021: US and European leaders say they will “closely consult and cooperate on the full range of issues” as they deal with China, addressing “ongoing human rights violations in Xinjiang and Tibet; the erosion of autonomy and democratic processes in Hong Kong; economic coercion; disinformation campaigns; and regional security issues.”

June 16, 2021: Hong Kong police arrest pro-democracy Apple Daily newspaper’s five editors and executives under Hong Kong’s national security law.

June 16, 2021: At the ADMM Plus meeting, China’s defense minister refers to the South China Sea as a “core interest,” saying “On issues related to Taiwan, Xinjiang, Hong Kong, and the South China Sea, China is determined to safeguard the country’s core interests.”

June 16, 2021: Draft of Japan’s Defense 2021 white paper states, for the first time, the strategic importance of Taiwan for Japan’s national security and stabilization of the international community.

June 17, 2021: Chinese Coast Guard 2301 fleet conducts a patrol in the territorial waters off the disputed Diaoyu/Senkaku islands, the sixth time since the beginning of 2021 such patrols have been publicly announced.

June 18, 2021: Australia takes China’s anti-dumping duties on its wine imports to the World Trade Organization.

June 19, 2021: Cambodian Prime Minister Hun Sen says he is in quarantine for 14 days and cancels scheduled talks with British Foreign Secretary Dominic Raab.

June 20, 2021: Myanmar junta leader Min Aung Hlaing arrives in Moscow to attend a security conference.

June 22, 2021: Arleigh Burke-class guided missile destroyer, **USS Curtis Wilbur**, sails through the Taiwan Strait.

June 23, 2021: China convenes virtual conference on the Belt and Road Initiative with representatives from more than 30 countries and regional and international organizations.

June 23, 2021: Russia commits to strengthening military ties with Myanmar’s junta through bilateral visits and arms deals.

June 23, 2021: Hong Kong’s pro-democracy newspaper **Apple Daily** announces it will print its last edition June 24.

June 23, 2021: China’s Foreign Minister Wang Yi chairs the Asia and Pacific High-level Conference on **Belt and Road Cooperation** via video link in Beijing.

June 24, 2021: A senior US diplomat says that Washington no longer sees Taiwan as a problem in its relations with Beijing but as an opportunity to promote a free and open Indo-Pacific.

June 24, 2021: Department of Labor’s Bureau of International Labor Affairs publishes a Federal Register Notice updating its “List of Goods Produced by Child Labor or Forced Labor” to include polysilicon produced in China.


June 25, 2021: Pentagon announces that the State Department approved the sale of F-15 fighter jets and two types of missiles to the Philippines.

June 25, 2021: Japan ratifies Regional Comprehensive Economic Partnership (RCEP).

July 27, 2021: Secretary of Defense Austin says during a speech in Singapore that China’s claims over the Taiwan Strait have no basis in international law, and that the US will enhance its capabilities to deter China, consistent with its commitments under the Taiwan Relations Act and the US one-China policy.

June 27, 2021: India deploys 50,000 soldiers to the Chinese border amid a stalemate in the disengagement process in eastern Ladakh.

June 28, 2021: Seoul approves plans to pursue a $2.6-billion “Korean Iron Dome” air defense artillery system to counter North Korea’s long range guns and missiles.


June 29, 2021: North Korean leader Kim Jong Un reprimands top ruling party officials for failures in anti-epidemic work.

June 29, 2021: US State Department appoints Atul Keshap as Chargé d’Affaires (CDA) ad interim to replace Daniel Smith in New Delhi.

June 30, 2021: Financial Times reports that the US and Japan have been conducting war games and joint military exercises in the event of a conflict with China over Taiwan.

June 30, 2021: Taiwan and the United States hold bilateral trade talks on issues related to supply chains, market access for US pork producers, and vaccine production.

July 1, 2021: At Tiananmen Square, on the 100th anniversary of the Communist Party’s founding, Xi Jinping warns that Beijing will not tolerate foreign obstruction on the country’s path to becoming a superpower.
July 2, 2021: US shortlists North Korea as a nation complicit in human trafficking and forced labor again.

July 5, 2021: Deputy Prime Minister Aso Taro states that if China were to invade Taiwan, the move could be interpreted as a threat to Japan's survival, enabling the SDF to be deployed for collective self-defense under security laws enacted in 2015.

July 6, 2021: US top envoy for North Korea speaks with Chinese counterpart after Pyongyang's repeated rejection of efforts to establish a dialogue with the Biden administration.

July 6, 2021: Russian FM Lavrov says ASEAN's Five Point Consensus should be the basis to end the political crisis in Myanmar.

July 8, 2021: Amid growing suspicions that the COVID-19 pandemic began with a lab leak in China, a group of renowned international scientists say that coronavirus most likely came from animals rather than a laboratory leak.

July 8, 2021: Taiwan asks the US not to cause “unnecessary speculation or misunderstanding” after the White House deleted a social media post on COVID-19 vaccine donations that included the ROC flag.

July 9, 2021: The US government adds 14 Chinese companies and other entities to its economic blacklist over alleged human rights abuse and high-tech surveillance in Xinjiang.

July 9, 2021: North Korea rejects planned shipments of AstraZeneca's COVID-19 vaccine that were being organized under the Covax distribution scheme due to concerns over side effects.

July 10, 2021: Vietnam receives 2 million COVID-19 vaccines donated by the US government as it battles its worst outbreak of the pandemic.

July 10, 2021: Bangladesh has secured deals for 17.5 million more COVID-19 vaccines from the Covax international alliance and China.

July 12, 2021: New Zealand's Prime Minister Jacinda Ardern chairs an informal meeting of leaders from countries in the Asia-Pacific trade group APEC to discuss COVID-19 pandemic.

July 12, 2021: Taiwan’s Foxconn and Taiwan Semiconductor Manufacturing Co say they have reached deals to purchase 10 million doses of Germany's BioNTech’s SE’s COVID-19 vaccine.

July 12, 2021: China’s military says it “drove away” a US warship that illegally entered Chinese waters near the Paracel Islands.

July 13, 2021: Japan’s 2021 defense white paper is released, devoting three times as much coverage to China than to the United States in outlining the defense programs of various nations.

July 13, 2021: Secretary Blinken meets with ASEAN counterparts and reiterated Washington’s position that it will not accept China’s claims in the South China Sea.

July 14, 2021: India and China agree to seek mutually acceptable solution to Western Himalayas border problem.

July 14, 2021: Manila accuses Chinese fishing boats and trawlers of dumping raw sewage on coral reefs in the South China Sea.
July 16, 2021: APEC leaders issue a statement that extensive COVID-19 immunization is a global public good and accelerating access to vaccines is essential to overcoming the pandemic.

July 16, 2021: Chinese President Xi’s remarks at the APEC Informal Economic Leaders’ Retreat highlight China’s vaccine diplomacy and contributions to the Global South, as well as China’s commitment to strengthening regional and global trade and economic recovery through such trade initiatives as RCEP.

July 16, 2021: Departments of State, Treasury, Commerce, and Homeland Security issue a business advisory to warn US businesses of risks to their activities in Hong Kong and encourage due diligence to mitigate such risks.

July 17, 2021: South Korea summons the Japanese ambassador over “undiplomatic” remarks about President Moon Jae-in and the possibility of a summit during the Tokyo Olympics.

July 17, 2021: Treasury Department adds seven people from China’s Hong Kong Liaison office to its “specially designated nationals list.”

July 19, 2021: China’s President Xi tells Mongolian president that the neighbors should ‘support each other’s ... concerns’ ahead of a US official’s visit.

July 19, 2021: Department of Justice charges four Chinese nationals who allegedly work for the Hainan State Security Department, a provincial arm of the Ministry of State Security, with hacking the computer systems of dozens of companies, universities, and government entities in the US and abroad between 2011 and 2018.

July 20, 2021: Russian tanks are deployed near the Afghan–Tajik border ahead of military exercises next month and Moscow announced more drills in neighboring Uzbekistan.

July 21, 2021: Deputy Secretary of State Sherman meets Japanese Vice Foreign Minister Mori Takeo and Republic of Korea First Vice Foreign Minister Choi Jong Kun today in Tokyo.

July 22, 2021: Chinese government offers indirect thank you to Taiwan President Tsai Ing-wen for her message of concern over devastating floods in the Chinese province of Henan.

July 23, 2021: Opening ceremonies for the Summer Olympics are held in Tokyo.

July 23, 2021: China retaliates against the July 16 US imposition of financial sanctions on officials in the Liaison Office of the Hong Kong government, imposing sanctions on seven US individuals and an entity, including former Secretary of Commerce Wilbur Ross.

July 26, 2021: China hands the US a list of grievances and a list of red line issues but agreed to maintain communication with Washington.

July 27, 2021: Secretary of Defense Austin says that the US seeks no confrontation with China but “will not flinch” during his visit in Singapore.

July 27, 2021: Samoa’s 1st female prime minister Fiame Naomi Mata’afa takes office after her predecessor Tuilaepa Sailele Malielegaoi had been reluctant to relinquish his power.

July 27, 2021: President Biden warns that the US could end up in a “real shooting war” with a “major power” as the result of a significant cyber–attack on the country.

July 28, 2021: Shanghai Cooperation Organization defense ministers hold their annual meeting in Dushanbe, Tajikistan.

July 28, 2021: US destroyer USS Benfold, transits the Taiwan Strait.
July 28, 2021: China’s National People’s Congress (NPC) Standing Committee takes first steps toward imposing an anti-sanctions law on Hong Kong.

July 28, 2021: Taiwan authorities announce they are investigating a former deputy defense minister and several other serving and retired military officers over contacts with China.

July 30, 2021: Philippines President Duterte announces decision to restore the Visiting Forces Agreement with the US. The agreement would continue to allow the rotation of thousands of US troops in and out of the Philippines for military exercises. The decision is announced during US Secretary of Defense Austin's visit to Manila.

Aug. 1, 2021: Kim Yo Jong, the sister of Kim Jong Un, warns that US-South Korea joint military exercise will damage the resolve of the two Koreas to rebuild relations.

Aug. 1, 2021: Myanmar’s military ruler Min Aung Hlaing promises new multi-party elections and says his government is ready to work with any special envoy from the ASEAN.

Aug. 1, 2021: New Zealand’s Prime Minister Jacinda Ardern issues a somber state apology to the Pacific Islander community for racially targeted immigration raids in the 1970s.


Aug. 2, 2021: Germany dispatches a warship for a six-month deployment that will include a transit of the South China Sea for the first time in two decades.

Aug. 2–6, 2021: Secretary Blinken participates virtually in five virtual ASEAN-related ministerial meetings: U.S.-ASEAN, East Asia Summit (EAS), ASEAN Regional Forum (ARF), Mekong-U.S. Partnership, and Friends of the Mekong ministerial meetings.

Aug. 3, 2021: Foreign ministers of Japan and ASEAN agree on the importance of freedom of navigation in the South China Sea.

Aug. 3, 2021: Secretary Blinken initiates “strategic dialogue” between the US and Indonesia at talks in Washington with Indonesian Foreign Minister Retno Marsudi.

Aug. 3, 2021: State Councilor and Foreign Minister Wang Yi attends the ASEAN-China Ministerial Meeting via video link.

Aug. 4, 2021: ASEAN appoints Erywan Yusof, one of Brunei’s top diplomats, as special envoy to Myanmar.

Aug. 4, 2021: Defense Security Cooperation Agency announces that the State Department has approved the sale of a new arms package to Taiwan. The package features 40 155mm M109A6 Medium Self-Propelled Howitzer Systems, among other equipment.

Aug. 4, 2021: India deploys a naval task force to the South China Sea this month to expand security ties with friendly countries, signaling its intent to play a bigger role in the region.

Aug. 6, 2021: President Biden offers temporary "safe haven" to Hong Kong residents in the US.

Aug. 8, 2021: South Korea decides to conduct military exercise with the US as planned despite North Korea’s warning not to proceed.


Aug. 9, 2021: Nagasaki commemorates the 76th anniversary of its destruction by a US atomic bomb, with the mayor advocating to build on a new global nuclear ban treaty.
Aug. 9, 2021: Secretary Blinken says the US is willing to consider different "options" and "possibilities" with North Korea and calls for Pyongyang's return to dialogue, even as a State Department official confirms that no contact between US and North Korean representatives took place as the ASEAN Regional Forum.

Aug. 10, 2021: China said the United States is not qualified to make irresponsible remarks on the issue of the South China Sea during a UN Security Council meeting on maritime security.

Aug. 11, 2021: Chinese court in Dandong sentences a Canadian citizen to 11 years on a charge of espionage.

Aug. 11, 2021: China and Myanmar announce that they will continue to deepen bilateral economic relations. China announces that it will transfer over $6 million to Myanmar to support nearly two dozen development projects in the country.


Aug. 12, 2021: Senior diplomats from the US, Japan, India, and Australia hold another round of talks, as the Quad continues to grow closer in the face of an increasingly assertive Beijing.

Aug. 13, 2021: South Korean navy commissioned its first domestically built submarine capable of launching ballistic missiles to hunt North Korean boats.

Aug. 15, 2021: 400,000 doses of Johnson & Johnson’s Janssen COVID-19 vaccine that the US agreed to provide arrive in South Korea on Sunday, according to the US Embassy in Seoul.

Aug. 15, 2021: US evacuates embassy in Kabul as Taliban seizes control of the Afghani capital.

Aug. 16, 2021: South Korea and the US start annual joint military training amid North Korea’s strong protest and threats of a serious security crisis.

Aug. 17, 2021: Taiwan would not collapse like Afghanistan in the event of an attack, Premier Su Tseng-chang says on Tuesday.

Aug. 18, 2021: Four student union leaders at the University of Hong Kong are arrested on suspicion of “advocating terrorism.”

Aug. 18, 2021: Japan’s defense ministry announces that it will seek a fiscal 2022 budget of more than ¥5.4 trillion ($49.3 billion) that could surpass the longstanding cap of 1%.

Aug. 19, 2021: China's State Councillor and Foreign Minister Wang Yi says that Afghanistan should not be used as a geopolitical battleground by the international community.

Aug. 20, 2021: US Vice President Kamala Harris’s begins trip to Singapore and Vietnam to show that the United States is in the region "to stay."

Aug. 22, 2021: VP Harris arrives in Singapore, at the start of a short trip to Southeast Asia.

Aug. 23, 2021: VP Harris' reaffirms "the United States' commitment to working with our allies and partners around the Indo–Pacific to uphold the rules-based international order and freedom of navigation, including in the South China Sea" during a joint press conference with Singaporean Prime Minister Lee Hsien Loong.

Aug. 25, 2021: China decries the US politicization of efforts to trace the origin of the virus ahead of the release of a US intelligence report.
Aug. 25, 2021: While meeting with President Nguyễn Xuân Phúc in Vietnam, VP Harris urges countries in the region to apply more pressure on China.


Aug. 26, 2021: Suicide bombing at Kabul airport kills 13 US servicemen and 60 Afghans. Islamic State claims responsibility, and the bombing draws condemnation from around the world, including China.

Aug. 26, 2021: Navies from the US, Japan, Australia, and India begin annual Malabar maritime exercises.

Aug. 27, 2021: Lawmakers from Japan’s ruling Liberal Democratic Party pledge to support Taiwan’s addition to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership during first-of-their-kind security talks with parliamentarians from Taiwan’s ruling Democratic Progressive Party.

Aug. 27, 2021: Navy guided-missile destroyer USS Kidd and Coast Guard National Security Cutter USCG Munro pass through the Taiwan Strait, marking the eighth transit of the waters this year by a US warship.

Aug. 27, 2021: China protests the passage of a US Navy warship and Coast Guard cutter through the Strait of Taiwan.

Aug. 27, 2021: The first-ever Taiwan-Japan security talks take place, largely focusing on Taiwanese chip makers’ potential investment in Japan.

Aug. 29, 2021: North Korea appears to resume nuclear activities that are linked to the production of nuclear weapons.


Aug. 30, 2021: UN nuclear watchdog says it has detected “deeply troubling” indications of Yongbyon nuclear reactor operating since July, including the release of cooling water. The White House reacts to the news by stressing the “urgent need” for dialogue and diplomacy, while 38 North publishes additional evidence of the Yongbyon 5 MWe reactor’s activation, namely “a discharge of cooling water into a new outflow channel.”

Aug. 30, 2021: Taiwan’s government launches English-language content platform called TaiwanPlus for the world to discover Taiwan.

Aug. 31, 2021: China’s special envoy for Asian affairs wraps up week-long, unannounced visit to Myanmar.


Aug. 31, 2021: India holds first formal meeting with Taliban political representatives in Qatar.

Sept. 4, 2021: HMS Queen Elizabeth docks at the Yokosuka naval base, the first port call in Japan by a British aircraft carrier.

Regional Chronology by Pacific Forum Research Intern Yuan Zhi (Owen) Ou.
By the end of spring, the US-Japan relationship was centerstage in the Biden administration’s Indo-Pacific diplomacy. From the first Quad (virtual) Summit to the visit of Prime Minister Suga Yoshihide to Washington, DC, relations between Tokyo and Washington could not have been better. A full calendar of follow-up meetings for the fall suggested even further deepening of the partnership. And on Aug. 20, President Joe Biden announced that he intended to nominate Rahm Emanuel, former mayor of Chicago and chief of staff for President Obama, as ambassador to Japan. Throughout the summer, the US and Japan continued to deepen and expand the global coalition for Indo-Pacific cooperation. The UK, France, and even Germany crafted their own Indo-Pacific visions, as did the EU. Maritime cooperation grew as more navies joined in regional exercises. Taiwan featured prominently in US-Japan diplomacy, and in May the G7 echoed US-Japan concerns about rising tensions across the Taiwan Straits. Japanese political leaders also spoke out on the need for Japan to be ready to support the US in case tensions rose to the level of military conflict.

Yet by the end of the summer, this carefully orchestrated alliance agenda had to pause as Japan’s domestic politics took several unexpectedly rapid turns. With COVID-19 case numbers growing, and pressures on Japanese medical providers intensifying, public approval of Prime Minister Suga remained low. Whereas many expected the prime minister to dissolve the Diet in early September in preparation for a Lower House election, LDP leaders announced they would instead hold their party leadership election, effectively delaying the Diet election. But by early September all this had changed. After a week of high drama, Suga announced on Sept. 3 that he no longer intended to run for the presidency of his party.

Meanwhile, President Biden’s decision that the US would withdraw from Afghanistan by Aug. 31 created turmoil in Kabul. The US military evacuation of US citizens and those associated with the US in Kabul was initially chaotic as the Taliban made far faster progress in taking over Afghanistan than Washington had predicted. Japan consulted closely with the US government and worked with other allies on the ground during the evacuation. Twelve Embassy staff were evacuated with US assistance and flown out to Qatar by the UK’s Royal Air Force, but the Suga Cabinet also sent its own SDF transport aircraft to the region on Aug. 23–24 to help Japanese and others who wanted to leave. In the end, the Aug. 26 terrorist attack at Kabul Airport limited access to these aircraft to around 500 individuals who were planning to leave via the Japanese evacuation effort. On Aug. 31, Defense Minister Kishi Nobuo ordered the withdrawal of the SDF from Afghanistan.

PM Suga’s Double Whammy

The combination of the Tokyo Olympics and the COVID-19 Delta variant proved too difficult for the Suga Cabinet to manage. On July 14, the Cabinet put Tokyo under a fourth state of emergency until Aug. 22, a period that would cover the duration of the Tokyo Olympics (July 23–Aug. 8). Athletes would not only be scrupulously isolated and monitored, but spectators would not be allowed to view the Games. Even before the government announced the stands would be empty, the public mood had soured on the Games. Corporate sponsors said their CEOs would not participate and Toyota, a major sponsor, announced on July 19 that it would not advertise the Olympics in Japan given the public sensitivity surrounding the Games.

Public polling revealed the lowest approval rating for Suga since he took office in September last year. Japan’s major newspapers reported record-low ratings for Suga in May and June of 33% (Asahi), 37% (Yomiuri), and 40% (Nikkei). The polls also revealed serious reservations about the Tokyo Olympics and the government’s decision to go ahead with the Games. In May, polling revealed over 80% of Japanese either wanted to postpone or cancel the Summer Games.

The growing worries about the spread of the Delta variant in Japan only intensified popular concern about the Suga Cabinet’s handling of the COVID-19 pandemic. Case numbers grew with alarming speed, from just under 800,000 at the beginning of July to nearly 1.5 million by the end of August. The Tokyo metropolitan area has continued to have around a quarter of these cases, but the Delta variant spread to other parts of Japan as well. On Aug. 27, the government’s state of emergency was expanded to include 21 of Japan’s 47 prefectures. Beyond the number of infected, the growing pressure on Japan’s hospitals and clinics drew national headlines. Many Japanese were sick at home and unable to get care. On Aug. 19, media reports of a young, pregnant women who lost her child after she was refused hospital access and forced to give birth at home horrified the nation. By the end of the summer, some polls (Jiji) were showing support for Suga had dipped below 30%.

Japan’s vaccination program had been the Suga Cabinet’s focus throughout the summer. On May 7, Suga announced an ambitious plan to accelerate access to COVID-19 vaccinations to...
million doses per day by mid-to-late June, and to have most Japanese who wanted a vaccination to have the opportunity to get one by late October. Minister for Administrative Reform and Regulatory Reform Kono Taro was tasked with leading this effort, and Japan’s initially slow response seemed to be gaining momentum as Kono sought to get as many doses to the public as possible. The Self-Defense Forces were mobilized to operate mass vaccination sites; local governments were empowered to get vaccines to pharmacies and clinics, and Japanese companies began to sponsor their own employee vaccination programs. While the government reached Suga’s target of 1 million doses per day in June, logjams continued to emerge, slowing distribution and frustrating Japanese citizens. By early September, more than 50% of the Japanese population had received their shots, including more than 80% of Japan’s elderly population. But it was not enough to boost the prime minister’s support among the public.

Taiwan and the US–Japan Alliance

The Biden administration and Suga Cabinet began the year focused on China. The 2+2 meeting in March revealed the shared perceptions of alliance officials in Washington and Tokyo, and the joint statement provided a long list of Chinese behaviors that concerned both governments. By the time President Biden and Prime Minister Suga met in April, Chinese behavior in and around Taiwan prompted a statement of concern in the joint communiqué that drew considerable ire from Beijing, with China’s embassy in Washington saying the country was “resolutely opposed” to the statement.

Biden and Suga linked the stability of the Taiwan Strait to the security interests of both allies. In Tokyo, this prompted a series of statements by leading Japanese politicians about what the use of force across the Taiwan Strait might mean for Japan’s security. Defense Minister Kishi Nobuo had already made his concerns clear when he visited Yonaguni on April 17, the Japanese island closest to Taiwan, during Suga’s visit to the US. State Minister of Defense Nakayama Yasuhide was outspoken as early as last winter about Japan’s need to understand US thinking on a Taiwan contingency. Nakayama gave a fuller presentation of his views on US–Japan military coordination in his speech at the Hudson Institute on June 28, where he argued that it was necessary to “protect Taiwan as a democratic country.” Even Deputy Prime Minister Aso Taro got headlines in July when he suggested to LDP lawmakers that a Taiwan contingency would be linked to Japan’s survival, a term used in the 2015 security legislation that would allow the SDF to deploy in a crisis beyond its territory with other national militaries. These statements were followed up on Aug. 27 when two senior members of the LDP, Sato Masahisa and Otsuka Taku, and two senior members of Taiwan’s ruling Democratic Progressive Party, Lo Chih-cheng and Tsai Shih-ying, held their first security talks online.

Two issues will be essential for the alliance to clarify in advance of a serious military crisis across the Taiwan Strait. The first is the extent to which the Japanese government would be willing to allow operations from US bases on Japanese soil. To date, the US has responded to Taiwan crises by deploying maritime forces in the vicinity of Taiwan. A larger conflagration, especially one that might involve conflict on Taiwan’s soil, would require a different and larger US response. Second, the proximity of Japan to Taiwan also suggests that the Self-Defense Force would be involved if only to ensure the defense of Japan. How Japan’s new security legislation and the upgraded US–Japan Defense Cooperation Guidelines will shape an alliance response remains to be seen. Greater US–Japan policy coordination seems overdue as Chinese military operations around Taiwan grow.

The Indo-Pacific Coalition Gains Momentum

Washington and Tokyo continued to focus on Indo-Pacific coalition-building over the summer. Deputy foreign ministers of the Quad nations—which includes the US, Japan,
Australia, and India—met by videoconference on Aug. 12 to continue conversations begun earlier in the year at the foreign ministers’ meeting on Feb. 18 and the Leaders’ videoconference on March 12. Maritime security in the East and South China Seas was at the center of these discussions, which also touched on other security challenges such as North Korea, counterterrorism, and cyber-security.

Maritime cooperation expanded and the tempo accelerated throughout the summer. The US and Japan held multiple exercises with naval partners, including Australia, France, India, Sri Lanka, and the UK. While some of these exercises represented regular, annual events—such as the US–Japan Orient Shield exercises in June and July and the quadrilateral (US, Japan, Australia, India) Malabar exercises in August—others marked entirely new groupings of like-minded countries. For example, on June 24, the Japan Maritime Self-Defense Force joined the US–Sri Lanka Cooperation Afloat Readiness and Training (CARAT) exercise series as an official participant for the first time, turning it into a multilateral exercise.

Perhaps most noteworthy, European nations began to increase their maritime presence in the Indo–Pacific. The UK joined the US, Japan, and Australia for the US–led Large Scale Exercise 2021. France participated with the US and Japan in the ARC21 exercises in Japan, and then joined the two allies plus Australia for exercises in the East China Sea. And by the end of the summer, even Germany sent a naval frigate to the Indo–Pacific, the first such deployment in nearly 20 years.

US Indo–Pacific Commander Adm. John Aquilino took command on April 30 and visited Tokyo in his first overseas trip on June 1. There he met with Prime Minister Suga, Defense Minister Kishi, Foreign Minister Motegi, and Gen. Yamazaki Koji, chief of Staff for the Joint Staff. He visited South Korea two days later as part of the same trip, with the two visits serving as a follow-up to the trilateral discussions held between the US, Japanese, and Korean Joint Chiefs of Staff on April 30 in Hawaii. Later in the summer, Aquilino made headlines for a speech he gave at the Aspen Security Forum in which he said that the US is fully capable of defending Taiwan in the event of a military crisis, and is “ready for any contingency should it occur.”

Work on the agenda for the Quad, set out in the spring, began in earnest this summer and the first face-to-face Quad Leaders’ Summit is planned for late September. Initially, Japan’s domestic politics raised questions about the diplomatic schedule for the fall, but Prime Minister Suga has said that he will travel to Washington, DC to attend in September as planned.

Looking Ahead

Without a doubt, Prime Minister Suga’s announcement that he would not run in the LDP leadership race became the biggest news of the summer in Japan. Over the course of a little more than a week in early September, Japanese politics were plunged into uncertainty, with internal politicking in the LDP focused not only on which candidate might draw the most factional support but also on who might be the best “face of the party” in the Lower House election later this fall. Given public frustration over the government’s handling of the COVID pandemic, as well as the corruption charges against several LDP Diet members, this next Diet election will be tough for Japan’s conservative party.

Similarly, the Afghan withdrawal overshadowed the Biden administration’s Indo–Pacific diplomacy in late summer. Debate over the chaotic departure of US military and citizens, as well as the fate of those Afghans who had worked closely with the US government there, extended into questioning how this would influence allies across the globe. In Washington and Tokyo, commentary on whether this would help or hinder US credibility in the Indo–Pacific proliferated.

Despite Japan’s politics and the Afghanistan withdrawal, the US and Japan have a full agenda for the fall. Politics in Tokyo will consume the
next two months. The LDP leadership race is up first on Sept. 29, and then a Lower House election must be held by the end of November, which will mean that the pace of alliance innovation may slow until a new government comes into office.

Nonetheless, Japan has put its difficult summer behind it. The Tokyo Olympics and Paralympics are over. Vaccinations are increasing, and while the medical pressures presented by the Delta variants caseload remain, public health professionals are hoping that the worst may be over. As of early September, the daily number of new cases has once again fallen under 10,000. In the United States, the Biden administration has ended the “forever war” in Afghanistan and hopes now to focus its attention fully on the future strategic challenge of China.

Figure 4 The Tokyo 2020 Olympics closing ceremony marked the end of the games. Photo: Toby Melville/Reuters via Aljazeera
May 3, 2021: Secretary of State Antony Blinken and Foreign Minister Motegi meet in London on the sidelines of the G7 Foreign Ministers’ Meeting.

May 5, 2021: G7 foreign ministers, including those from Japan and the US, issue a joint statement warning China not to escalate cross-strait tensions with Taiwan.


May 7, 2021: Prime Minister Suga announces plan to accelerate access to COVID-19 vaccinations to 1 million doses per day.

May 11, 2021: Japan’s Ground Self-Defense Force holds joint exercises with the US and France for the first time.

May 19, 2021: Foreign Minister Motegi and US Trade Representative Katherine Tai speak by telephone.

May 20, 2021: Director-level intersessional of the Japan-US Cyber Dialogue is held via video conference.


May 27, 2021: G7 foreign ministers, including those from Japan and the US, issue a joint statement on Belarus.

June 7, 2021: US and Japan begin their annual Orient Shield military exercise.

June 10, 2021: US Forces Japan (USFJ) and Government of Japan issue a joint press release on efforts to vaccinate USFJ personnel against COVID-19.


June 12, 2021: President Biden and Prime Minister Suga speak on the sidelines of the G7 Summit in Cornwall.

June 22, 2021: Media companies tracking COVID-19 vaccinations announce that Japan has reached Prime Minister Suga’s target of 1 million doses per day.


June 25, 2021: Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean, signed by the US, Japan, and eight other countries, enters into force.

June 28, 2021: State Minister of Defense Nakayama Yasuhide says at a Hudson Institute event that democracies such as the US and Japan should stand up to China and back Taiwan.

June 29, 2021: Foreign Minister Motegi and Secretary Blinken meet on the sidelines of the G20 Foreign Ministers’ Meeting in Italy.
July 6, 2021: Deputy Prime Minister Aso Taro says that Japan should join US in defending Taiwan.


July 13, 2021: Japan’s Ministry of Defense references stability around Taiwan for the first time in its annual defense report.

July 14, 2021: American Chamber of Commerce in Japan President Jenifer Rogers meets State Minister for Foreign Affairs Washio Eeichiro in Tokyo.


July 19, 2021: Toyota announces that it will not advertise the Tokyo Olympics.

July 20, 2021: Deputy Secretary of State Wendy Sherman meets Vice-Minister for Foreign Affairs Mori Takeo in Tokyo.

July 21, 2021: Deputy Secretary Sherman meets with Defense Minister Kishi Nobuo in Tokyo.

July 21, 2021: Taiwan Semiconductor Manufacturing Co. says that it is finalizing a decision to open its first chip plant in Japan by 2023.

July 23, 2021: Secretary of State Blinken and Foreign Minister Motegi speak by telephone.

August 3, 2021: US, Japan, Australia, and UK begin the US-led exercises known as Large Scale Global Exercise 21.

August 6, 2021: Secretary of State Blinken and Foreign Minister Motegi speak by telephone.

August 8, 2021: Closing ceremonies for the Summer Olympics are held in Tokyo.

August 9, 2021: National Security Advisor Akiba Takeo meets Secretary Blinken in Washington.

August 10, 2021: President Biden and Prime Minister Suga hold a summit talk by telephone.

August 12, 2021: Senior officials from the US Department of State, Japanese Ministry of Foreign Affairs, Australian Department of Foreign Affairs and Trade, and Indian Ministry of External Affairs meet by videoconference to follow up on the Quad Foreign Ministers’ and Leaders’ Meetings held earlier in 2021.

August 19, 2021: Japanese media publish the story of a young woman who lost her child after she was refused hospital access and forced to give birth at home.

August 23, 2021: Ministry of Foreign Affairs Press Secretary Yoshida Tomoyuki issues statement welcoming the nomination of Rahm Emanuel as the next US Ambassador to Japan.


August 26, 2021: Takeda Pharmaceutical discovers first case of contaminated Moderna vaccines.

August 26, 2021: Suga administration suspends use of 1.63 million Moderna doses after the discovery of contaminants in some vaccines.

August 26, 2021: Former Foreign Minister Kishida Fumio announces that he will run against Prime Minister Suga in the LDP leadership election set for Sept. 29.

August 26, 2021: Navies from the US, Japan, Australia, and India begin the annual MALABAR maritime exercises.
Aug. 26, 2021: Terrorist attack at Kabul airport kills at least 60 Afghans and 13 US troops.

Aug. 27, 2021: Suga administration expands COVID-19 state of emergency to a total of 21 prefectures.

Aug. 27, 2021: Representatives from the LDP and Taiwan’s ruling Democratic Progressive Party hold security talks online for the first time.


Aug. 31, 2021: Japan withdraws SDF from their mission to evacuate people, including Japanese citizens, in Afghanistan.

Sept. 3, 2021: Prime Minister Suga announces he will not run in the upcoming LDP presidential race and will resign September 30.
The downward slide in US-China relations continued as the two countries wrangled over Hong Kong, COVID–19, Taiwan, the South China Sea, Xinjiang, and cyberattacks. US Deputy Secretary of State Wendy Sherman and Chinese officials met in Tianjin but appeared to make no progress toward managing intensifying competition between the two countries. The US rolled out a series of measures against alleged Chinese forced labor practices and strengthened the prohibition against US investments in the PRC’s military industrial complex. Deteriorating freedoms in Hong Kong prompted the Biden administration to impose more sanctions on Chinese officials and issue a business advisory warning US companies of growing risks to their activities in Hong Kong.
Beijing retaliated by imposing sanctions on US citizens under its new Anti–Foreign Sanctions Law. In close coordination with its European allies, the US condemned the PRC’s use of criminal contract hackers to conduct unsanctioned cyber operations around the world, including attacks on Microsoft’s Exchange Server in March 2021. Chinese and US officials in charge of trade and economic relations held virtual meetings, but tariffs imposed by both sides during the Trump administration remained in place. Biden officials maintained that they are conducting “a robust, strategic review” of the US economic relationship with China. As the Taliban assumed control in Afghanistan, US and Chinese officials exchanged views, but the prospects for coordination and cooperation appeared dim.

Deputy Secretary of State Wendy Sherman visits Tianjin

In late July, Deputy Secretary of State Wendy Sherman traveled to Tianjin for the highest-level meeting between US and Chinese officials since consultations in Anchorage last March between Secretary of State Antony Blinken and National Security Advisor Jake Sullivan and their Chinese counterparts, Director of the CCP Central Foreign Affairs Commission Office Yang Jiechi and State Councilor Wang Yi. The visit was first reported by the South China Morning Post, which claimed that Sherman and Vice Foreign Minister Xie Feng would discuss the possibility of a meeting between US Secretary of State Antony Blinken and Chinese Foreign Minister Wang Yi that would in turn prepare for an in-person conversation between US President Joe Biden and Chinese leader Xi Jinping on the margins of the G20 in October.

At a State Department briefing ahead of the trip, the US set low expectations, saying that the purpose of Sherman’s visit was not to negotiate specifics, but rather was to “have frank and honest exchanges about the relationship.” Officials previewed Sherman’s message that the US does not want “stiff and sustained competition to veer into conflict” and said that their goal is to put in place “guard rails and parameters” to “responsibly manage the relationship.” In comments to the Chinese media before Sherman’s arrival, Wang Yi warned that he would give the US “a good tutorial” if it “has not learned how to get along with other countries on an equal footing.”

US officials insisted that both sides agreed in advance of the visit that the engagement would be “substantive and constructive,” but the readouts from both capitals suggest that little was achieved other than an exchange of recriminations. Taking a page from prior US interactions with China, Beijing even presented Sherman with two lists. One list enumerated 16 steps that Washington must take to undo damage inflicted on China, including visa restrictions on Chinese Communist Party members, suppression of Chinese companies like Huawei, and designation of Chinese media outlets as foreign agents. The second list cited 10 areas of Chinese concern about US behavior, including insisting that China is the source of the coronavirus, challenging Chinese sovereignty over Taiwan, Hong Kong, and Xinjiang, and inciting anti–Chinese sentiment in America.

Wang Yi put forward three explicit demands: the US must not 1) challenge, slander or even attempt to subvert the path and system of socialism with Chinese characteristics; 2) attempt to obstruct or even interrupt China’s development process; or 3) infringe upon China’s state sovereignty, or even damage China’s territorial integrity.

Sherman laid out a litany of US concerns, including Chinese policies in Hong Kong, Tibet, and Xinjiang, cyberattacks, pressure on Taiwan, coercion in the South and East China Seas, unwillingness to cooperate with the World Health Organization on a second phase investigation of the origins of COVID-19, and lack of foreign media access in China.

The two sides also discussed issues where they have potentially overlapping interests, including climate change, counternarcotics, nonproliferation, and regional concerns such as Afghanistan, North Korea, Myanmar, and Iran.
But Xie Feng suggested that Chinese cooperation is conditional, saying, “It’s not going to work if the US asks for cooperation on the one hand and damages China’s interests on the other.” In rebuttal, the US said that China should not take a transactional approach to areas of global concern.

The only area of agreement between the US and China appeared to be that communication channels should remain open. It was unclear, however, whether US and Chinese top leaders would meet anytime soon. Deputy Secretary Sherman revealed that a possible meeting between Biden and Xi was not raised in Tianjin.

In mid-August, China’s newly arrived ambassador to the United States Qin Gang met with Sherman. According to the Chinese embassy readout of the meeting, Qin told her that US-China ties are at a “new crossroads.” He pledged to work to promote a “rational, stable, manageable, and constructive China-US relationship.”

**Human Rights and Xinjiang are High on the US Agenda**

During the presidential campaign, Biden pledged to adopt a tougher and more consistent stance on human rights violations than the Trump administration. Several actions were taken in the May to August period to deliver on that promise. On May 12, the Department of State issued its 2020 Annual Report of International Religious Freedom as mandated by Congress. At the same time, it imposed sanctions on Yu Hui, former Director of the “Central Leading Group on Preventing and Dealing with Heretical Religions,” for his involvement in human rights violations, notably the arbitrary detention of Falun Gong practitioners. Yu Hui and his immediate family members were barred from entering the United States.

Two weeks later, China retaliated, declaring that the head of the United States Commission on International Religious Freedom, Johnnie Moore, and his family, would henceforth not be permitted to enter the Chinese mainland, Hong Kong, or Macao. Ministry of Foreign Affairs spokesman Zhao Lijian said China’s action was justified because “the United States openly endorsed cult organizations and imposed unilateral sanctions against Chinese personnel based on lies and false information.”

Beijing’s tit-for-tat measure did not deter the Biden administration from taking additional steps to punish China for human rights infringements. On June 3, the same day that Secretary of State Blinken released a statement marking the 32nd anniversary of the Tiananmen Square massacre, Biden signed an executive order that expanded the scope of the national emergency declared by President Trump with respect to the military-industrial complex of the PRC. The EO specifies that the use of Chinese surveillance technology outside PRC borders, and the development or use of Chinese surveillance technology to enable repression or serious human rights abuses, constitutes “unusual and extraordinary threats.” The action strengthens the prohibition against US investments in the PRC’s military-industrial complex and ensures that US investments don’t undermine the security or values of the US and its allies. Biden added 59 entities to the Department of the Treasury’s Office of Foreign Assets Control’s list of Chinese military-industrial complex companies.

The US also rolled out a series of measures against alleged Chinese forced labor practices. At the end of May, the US Customs and Border Protection (CBP) under the Homeland Security Department issued a Withhold Release Order against Dalian Ocean Fishing Company, which would stop tuna, swordfish, and other seafood harvested by vessels owned or operated by that company from entering the United States. Almost a month later, on June 24, the CBP issued another Withhold Release Order against Hoshine Silicon Industry company, which is located in China’s Xinjiang Uyghur Autonomous Region. The measure imposed penalties on Hoshine and its subsidiaries, barring imports of all shipments.
of silica-based products made by those companies from entering the US. Metallurgical-grade silicon is widely used to make solar panels and Hoshine is China’s top producer. At the same time, the Department of Labor’s Bureau of International Labor Affairs published a Federal Register Notice updating its “List of Goods Produced by Child Labor or Forced Labor” to include polysilicon produced in China. In a third action, the Department of Commerce added five Chinese entities to its Entity List for using forced labor against Muslims in Xinjiang.

The spate of sanctions came after President Biden returned from meetings in Europe with leaders of the countries that comprise the Group of Seven, whom he urged to collectively reprimand Chinese forced labor practices and other human rights abuses. In a sign of possible concern that US companies were not taking the new measures seriously, in mid-July several US agencies issued a business advisory to companies doing business with Xinjiang, warning of forced-labor risks in supply chains linked to the region. Secretary Blinken said the advisory was issued in response to China’s “ongoing genocide and crimes against humanity in Xinjiang and the growing evidence of its use of forced labor there.” The European Union also issued business guidance for its companies on how to identify, prevent, mitigate, and address forced labor in global supply chains, although the guidance was not specifically focused on China or Xinjiang.

In a display of support for the plight of the Uyghurs, Blinken met with seven Uyghur internment camp survivors, advocates, and relatives of individuals on July 6. Three days later, the Commerce Department added 14 Chinese entities to its Entity List over alleged human rights abuses and high-tech surveillance in Xinjiang.

Deteriorating Freedoms in Hong Kong Lead to Tit-for-Tat Sanctions

When Hong Kong’s pro-democracy newspaper Apple Daily shut down in late June due to growing Chinese pressure, President Biden issued a strong statement calling on Beijing to stop targeting the independent media and release journalists and media executives who have been detained. “The United States will not waver in our support of people in Hong Kong and all those who stand up for the basic freedoms all people deserve,” he added.

In a statement marking the one-year anniversary of China’s imposition of the National Security Law on Hong Kong, Secretary Blinken condemned the actions taken to undermine Hong Kong’s democracy. Blinken expressed US commitment to supporting the rights and freedoms of the people of Hong Kong. On the same day, the US took two additional actions: the US Treasury Department added seven people from China’s Hong Kong Liaison office to its “specially designated nationals list,” and the Departments of State, Treasury, Commerce, and Homeland Security issued a business advisory to warn US businesses of risks to their activities in Hong Kong and encourage due diligence to mitigate such risks.

Beijing lost no time retaliating. Using the PRC’s Anti-Foreign Sanctions Law, which was passed by the Standing Committee of China’s National People’s Congress on June 10, China imposed sanctions on seven US individuals and one entity, including former Secretary of Commerce Wilbur Ross, Chairman of US-China Economic and Security Review Commission (USCC) Carolyn Bartholomew, former Staff Director of Congressional-Executive Commission on China (CECC) Jonathan Stivers, DoYun Kim at the National Democratic Institute for International Affairs, senior program manager of the International Republican Institute (IRI) Adam Joseph King, China Director at Human Rights Watch Sophie Richardson, and the Hong Kong Democratic Council.

China’s foreign ministry spokesperson warned external forces against interference in Hong Kong’s affairs, saying that doing so “would be as futile as an ant trying to shake a big tree.”

![Figure 3 A supporter of two arrested executives of Hong Kong’s pro-democracy Apple Daily newspaper holds up a copy of the paper during a protest outside a court in Hong Kong, June 19, 2021. Photo: AFP via Radio Free Asia](image)
Chinese Cyber Intrusions Spur Counteractions

The Biden administration coordinated closely with several allies to condemn the PRC’s use of criminal contract hackers to conduct unsanctioned cyber operations around the world, including attacks on Microsoft’s Exchange Server in March 2021. On July 19, Secretary of State Blinken released a statement denouncing China’s alleged disruptive and destabilizing behavior in cyberspace and its threat to US economic and national security. A statement issued concomitantly by the White House condemned the PRC’s “pattern of irresponsible behavior in cyberspace,” saying it was “inconsistent with its stated objective of being seen as a responsible leader in the world.”

The US maintained that it had a high degree of confidence that China’s cyber actors who exploited the zero-day vulnerabilities in Microsoft’s Exchange Server were affiliated with China’s Ministry of State Security (MSS). The EU, UK, and NATO also condemned China’s malicious cyber activity, though their statements stopped short of blaming the PRC government and left open the possibility that the hackers were acting on their own.

In an effort to impose costs on China, the US unsealed an indictment charging four PRC nationals and residents with engaging in a campaign to hack into the computer systems of companies, universities, and government entities in the United States and abroad between 2011 and 2018. The defendants were alleged to have worked for the Hainan State Security Department, a provincial arm of the MSS. Deputy Attorney General Lisa O. Monaco said that “the breadth and duration of China’s hacking campaigns, including these efforts targeting a dozen countries across sectors ranging from healthcare and biomedical research to aviation and defense, remind us that no country or industry is safe.”

In a separate, but not entirely unrelated development, the US Joint Cybersecurity Advisory, the Cybersecurity and Infrastructure Security Agency (CISA), and the Federal Bureau of Investigation (FBI) released a Joint Cybersecurity Advisory attributing phishing and intrusion campaign activities targeting 23 US natural gas pipeline operators from 2011 to 2013 to Chinese state-sponsored actors. CISA and the FBI concluded that the activities were “intended to help China develop cyberattack capabilities against US pipelines to physically damage pipelines or disrupt pipeline operations.”

South China Sea Tensions Simmer

China’s Defense Minister Wei Fenghe confirmed that the South China Sea is considered a Chinese core interest at the ASEAN Defense Ministers (ADMM) Plus meeting in mid-June. A statement issued by Beijing quoted Wei as telling attendees that “On issues related to Taiwan, Xinjiang, Hong Kong, and the South China Sea, China is determined to safeguard the country’s core interests.”

Marking the fifth anniversary of the Arbitral Tribunal ruling on the Philippines case against China in the South China Sea on July 12, the State Department issued a strong statement underscoring the importance of freedom of the seas to all nations. The statement, released by Secretary Blinken, maintained that the rules-based maritime order is under threat in the South China Sea, and called out China for coercing and intimidating Southeast Asian coastal states and threatening freedom of navigation. It also reaffirmed US support for the ruling’s “unanimous and enduring decision firmly rejecting the PRC’s expansive South China Sea maritime claims as having no basis in international law.” Similar statements reiterating support for the 2016 arbitral tribunal ruling were issued by Australia, Canada, and the European Union.

Delivering the 40th Fullerton Lecture in Singapore at the end of July, Secretary of Defense Lloyd Austin focused his remarks on the immediate challenges of combatting the Covid-19 pandemic and economic recovery. He called on the region to join the US to “build back better” and forge a “more resilient regional order.” In brief remarks on the South China Sea, Austin’s message differed from that of his predecessors. There was no mention of “freedom of navigation” and no reiteration of the mantra of the Obama and Trump administrations that the US military will “fly, sail and navigate wherever international law allows.” Instead, Austin stressed US support for the region’s coastal states in upholding their rights under international law. In an effort to reassure Southeast Asian states that US-China competition will not lead to conflict, Austin maintained that he is committed to pursuing a “constructive, stable relationship with China” including stronger crisis communication with

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the People’s Liberation Army and working with Beijing on common challenges.

The following month, the US and China had a testy exchange over the South China Sea in the UN Security Council. Secretary Blinken broached the issue, warning of the grave consequences that a conflict in the South China Sea, or in any body of water, would have for security and commerce. “When a state faces no consequences for ignoring these rules,” Blinken stated, it fuels greater impunity and instability everywhere. China’s Deputy UN Ambassador Dai Bing issued a sharp retort, claiming that the United States has become “the biggest threat to peace and stability in the South China Sea.”

The US Navy’s freedom of navigation operations (FONOPs) in the South China Sea continued in the months between May and August. On May 20, the guided-missile destroyer USS Curtis Wilbur sailed near the Paracel Islands, prompting the usual PRC objection and condemnation. In an unusual response to China’s typical claim that the PLA “expelled” US Navy ships from the area, the US 7th Fleet maintained that the claim was “false,” noting that the PLA’s statement was intended to misrepresent lawful US maritime operations and assert its own illegitimate maritime claims at the expense of the Southeast Asian countries. The USS Benfold conducted a similar FONOP in the vicinity of the Paracel Islands on July 12.

Another Taiwan Arms Sale and Three Strait Transits

In early August, the US approved the sale to Taiwan of 40 M-109A6 Paladin 155mm self-propelled howitzers with associated equipment and logistics support. The package also included precision-guidance kits for artillery shells. The estimated cost of the potential sale is $750 million. Beijing criticized the decision and demanded that the US cease both its arms sales and military interaction with Taiwan, “lest more damage be dealt to China-US relations and peace and stability across the Taiwan Strait.”

US Navy warships sailed through the Taiwan Strait on June 22, July 28, and Aug. 27, bringing the total US transits this year to eight so far. In the August transit, the US guided-missile destroyer USS Kidd was accompanied by Coast Guard National Security Cutter USCG Munro. The 7th Fleet announced the transits, stating that the operation “demonstrates the US commitment to a free and open Indo-Pacific.”

In the Tianjin meeting, Wang Yi raised Chinese concerns about US policy toward Taiwan. According to Xinhua, Wang urged the Biden administration to honor US commitments on the Taiwan question and to “act prudently.” Wang also asserted that China has the right to take any necessary measure to stop Taiwan independence.

US Trade Policy Remains Unclear

Unlike the Trump administration, the Biden team has not signaled that trade will be a priority in the US–China bilateral relationship. US Trade Representative Katherine Tai had her first meeting with Chinese Vice Premier Liu He via videoconference on May 26. Under the Phase One trade deal, officials from the two countries are expected to meet every six months, and the last meeting was in August 2020. The one-paragraph summary of the Tai–Liu conversation on the USTR website provided few details, saying only that Tai “discussed the guiding principles of the Biden–Harris Administration’s worker-centered trade policy and her ongoing review of the US–China trade relationship, while also raising issues of concern.” Xinhua described the conversation as “candid, practical and constructive” and held “in the spirit of equality and mutual respect.” Less than a week later, US Treasury Secretary Janet Yellen also held a virtual meeting with Liu He. The US and Chinese readouts of that meeting were also brief and devoid of details.

A separate set of talks took place in early June between the Secretary of Commerce Gina Raimondo and her Chinese counterpart Wang Wentao. According to the US side, Raimondo
conveyed US concerns about China’s “unfair and market-distorting industrial policies” and the “need to level the playing field for American companies operating in China.

Although it isn’t known if tariffs were discussed in the virtual meeting between USTR Tai and Liu He, The Wall Street Journal reported that Chinese officials called on the US to roll back tariffs on Chinese products in a call that took place on the eve of the virtual meeting between their bosses. The first public comment by a Biden administration official on the tariffs came from Treasury Secretary Yellen in early July. In an interview with The New York Times, Yellen bluntly described tariffs as taxes on consumers, and said that her personal view was that “tariffs were not put in place on China in a way that was very thoughtful.” She added that the Trump administration had failed to address the fundamental problems that the US has with China.

Domestic pressure on the Biden administration to cut tariffs on Chinese products and resume trade negotiations with China came from nearly three dozen influential US business groups in early August. In a letter to USTR Tai and Treasury Secretary Yellen, the business groups maintained that Beijing had met “important benchmarks and commitments” in the Phase One trade deal and that the Trump-imposed tariffs harm US interests. The Biden administration would not be rushed, however. On Aug. 6, The New York Times quoted a USTR spokesman saying the administration was “conducting a robust, strategic review of our economic relationship with China to create effective policy.” That same day, White House Press Secretary Jen Psaki told the press that a review of China policy, including tariffs, was not yet finished. Nevertheless, there were rumors that Yellen might visit China later in the year.

Supply Chains and Tech

In June, the Biden administration completed a 100-day review of supply-chains that identified areas where China’s dominance threatens US security. Vulnerabilities included metals that are crucial for high-capacity batteries and some pharmaceuticals. The key findings included a recommendation that supply chain resilience be incorporated into US trade policy toward China and called for the US to work with other countries to reduce exposure and risk to the Chinese market.

That same month, President Biden issued an executive order revoking the Tiktok/WeChat restrictions imposed by the Trump administration which would have forced Google and Apple to remove the apps from their stores. But the legal case was apparently weak, and Tiktok and WeChat won preliminary injunctions staying the Commerce Department orders in September 2020. At the same time, Biden issued another executive order that replaced the Trump-era sanctions on Chinese military-related investment. The new sanctions authority expands targets from military-connected firms to the surveillance technology sector. Both of these executive orders were aimed at strengthening the legal basis of the Trump administration's policies. They signal that the Biden administration remains concerned about the risks of continued financial and technology flows to the Chinese military-industrial complex and the dangers of Chinese technology companies gathering data on US citizens.

Afghanistan Falls to the Taliban

As the security situation in Afghanistan deteriorated rapidly following President Biden’s announcement on July 8 that the US would complete the withdrawal of its troops from Afghanistan by Aug. 31, Beijing voiced concern. China’s Foreign Ministry spokesman Zhao Lijian called for the US to “act in a responsible manner to ensure smooth transition in Afghanistan, prevent a resurgence of terrorist forces, and facilitate the peace and reconciliation process.”

The collapse of the Afghan government and the Taliban’s takeover of Kabul affected both US and Chinese interests, prompting Secretary of State Blinken to place a call to his counterpart Wang Yi on Aug. 16. Blinken urged Beijing to use its influence with the Taliban to persuade it to make “a clean break with extremism,” conduct an orderly transfer of power, and establish an inclusive government. In response, Wang maintained that the US should seriously reflect and draw lessons from its policies in Afghanistan, noting that “the use of power and military means to solve problems will only cause more problems.” He indicated that China “stands ready to communicate with the United States to push for a soft landing of the Afghan issue” to prevent a new civil war or humanitarian disaster and avoid the country relapsing into a haven for terrorists. At the same time, however, Wang reiterated Xie Feng’s prior admonition, insisting that “the US side cannot, on the one hand, deliberately
contain and suppress China and undermine China's legitimate rights and interests, and on the other hand, expect support and cooperation from China, because such logic never exists in international exchanges.” Importantly, Blinken reaffirmed US opposition to “all forms of terrorism” and pledged that the US will not seek to foment unrest in China’s western border areas.

In another phone call between the two diplomats on Aug. 29, Wang voiced concern about the potential resurgence of terrorist groups inside Afghanistan and called for all parties to “contact and proactively guide the Taliban.” Wang also repeated that coordination between China and the US would depend on Washington's policies toward Beijing in other areas, including the issue of the origins of COVID-19. It remained unclear whether the US and China would cooperate in pursuit of their overlapping goals on Afghanistan or other issues.

Tough Road Ahead

US–China relations will likely remain fraught for an extended period. Strategic competition is the dominant feature in the relationship; the question is whether Beijing and Washington can find a path to manage that competition and achieve peaceful coexistence. That objective, if attainable at all, can probably only be attained through a meeting between US and Chinese leaders. The earliest opportunity for a meeting between President Biden and Chinese leader Xi Jinping is the planned G20 Summit in Rome on Oct. 30–31. If both Biden and Xi attend in person, they could meet on the sidelines. Reports suggest, however, that Xi will attend via a video link instead. The next chance for a Biden–Xi meeting will be the COP 26 UN Climate Change Conference, hosted by the UK in partnership with Italy, which will take place in November. If Xi doesn't attend the G20, however, it’s a good bet that he won’t attend COP 26.

Among the many challenges to a more stable US–China relationship is the domestic political calendar in Washington and Beijing. In the runup to midterm elections in the United States in November 2022, President Biden will remain wary of giving the Republicans fodder for their efforts to paint him as soft on China. Around the same time, China will hold its 20th Party Congress, where Xi will seek an unprecedented third term as Communist Party general secretary. He too has an incentive to sustain a tough posture, defend Chinese sovereignty and other “core interests,” and avoid being seen as making unnecessary concessions to a United States weakened by the COVID-19 pandemic and its debacle in Afghanistan.
May 12, 2021: US Defense Department announces it will remove China’s Xiaomi Corp from a government blacklist, reversing one of the Trump administration’s last jabs at Beijing before leaving office.

May 12, 2021: State Department transmits its 2020 Annual Report on International Religious Freedom to Congress and announces sanctions against Chinese citizen Yu Hui, former Office Director of the “Central Leading Group on Preventing and Dealing with Heretical Religions” for his involvement in human rights violations such as the detention of Falun Gong practitioners.

May 18, 2021: US Senate passes the Endless Frontier Act 86-11. The legislation would provide $120 billion to expand research into cutting-edge technologies to make the US more competitive with China.

May 18, 2021: Congressional–Executive Commission on China holds a hearing entitled “China, Genocide, and the Olympics” to examine the implications of holding the XXIV Winter Olympics in China in light of the country’s human rights record.

May 20, 2021: US-China Economic and Security Review Commission holds a hearing on China in Latin America and the Caribbean to discuss China’s strategic approach, engagement, and military and security activities in the region.

May 20, 2021: Guided-missile destroyer USS Curtis Wilbur performs a freedom of navigation operation near the Paracel Islands, asserting “navigational rights and freedoms ... consistent with international law,” Lt. Lingo, spokesperson for the US 7th Fleet, says in a statement.

May 26, 2021: China decides to impose sanctions against an individual, Johnnie Moore, commissioner for the US Commission on International Religious Freedom. The sanctions are a response to the US sanctioning of Yu Hui on May 12, 2021.

May 26, 2021: US Trade Representative Katherine Tai meets virtually with Chinese Vice Premier Liu He to discuss the importance of the trade relationship between the US and China.

May 27, 2021: President Biden says he will publish the results of a 90-day inquiry into the origins of the COVID-19 pandemic, intensifying tensions between the US and China.

May 28, 2021: US Customs and Border Protection issues a Withhold Release Order against Dalian Ocean Fishing Co., Ltd. due to information indicating the use of forced labor in the company’s fishing operations.

June 1, 2021: US Treasury Secretary Janet Yellen and Vice Premier Liu He have an introductory meeting via video conference to discuss issues of mutual concern and express willingness to maintain communication on US-China economic relations.


June 3, 2021: Secretary of State Anthony Blinken releases a statement in honor of the 32nd anniversary of the Tiananmen Square massacre.
June 8, 2021: US Senate Committee on Armed Services holds a hearing entitled “The United States’ Strategic Competition with China.”

June 8, 2021: US Senate passes the Innovation and Competition Act of 2021, a piece of legislation intended to increase the ability of the US to compete with Chinese technology.

June 9, 2021: President Biden revokes executive orders targeting Chinese-owned TikTok and WeChat apps initiated by President Trump and signed a new order directing the Commerce Department to evaluate all software applications with potential ties to foreign adversaries including China and take action to protect data on US citizens gathered by the apps.

June 9, 2021: US Secretary of Defense Lloyd Austin issues a directive aimed at reorienting the US military to better compete with Beijing. Few details of the initiatives are known, but are said to contribute to whole-of-government efforts to address challenges from China.

June 10, 2021: Commerce Secretary Gina Raimondo holds phone call with Chinese Commerce Minister Wang Wentao to discuss concerns each country has about the policies of the other.

June 10, 2021: US–China Economic and Security Review Commission holds a hearing on China’s nuclear forces.

June 10, 2021: China’s legislature, the National People’s Congress, passes the Anti–Foreign Sanctions Law. The law provides a legal foundation for China to counter US and EU sanctions over trade, technology, Hong Kong, and Xinjiang.

June 11, 2021: Secretary of State Anthony Blinken speaks by phone with Chinese Communist Party Politburo Member Yang Jiechi to discuss the need for the US and China to work together for the denuclearization of the Korean Peninsula and other shared global challenges, while also raising concerns about Chinese policies in Hong Kong, Xinjiang, and toward Taiwan.

June 13, 2021: Leaders of the G7 release a statement following their June 11-13 meetings. Included in the statement are criticisms of China’s human rights abuses in Xinjiang, calls for Hong Kong to maintain a high degree of autonomy, and emphasis on the importance of peace and stability across the Taiwan Strait. China denounces the statement.

June 14, 2021: At annual NATO summit, leaders declare that China presents a global security risk, shifting the alliance’s focus to finding ways to respond to an increasingly powerful China.

June 16, 2021: At the ADMM Plus meeting, Chinese Defense Minister refers to the South China Sea as a “core interest,” saying “On issues related to Taiwan, Xinjiang, Hong Kong, and the South China Sea, China is determined to safeguard the country's core interests.”

June 22, 2021: China’s ambassador to the US for eight years, Cui Tiankai, announces he will leave his position. His farewell statement describes US–China relations as being at a crossroads and calls on Chinese living in the US to take responsibility for furthering the bilateral relationship.

June 22, 2021: Arleigh Burke-class guided missile destroyer, USS Curtis Wilbur, sails through the Taiwan Strait.

June 24, 2021: Department of Homeland Security’s Customs and Border Protection announces a Withhold Release Order against Hoshine Silicon Industry Co. Ltd., a Chinese company located in the Xinjiang Uyghur Autonomous Region that is believed to use forced labor to manufacture its products.

June 24, 2021: Department of Labor’s Bureau of International Labor Affairs publishes a Federal Register Notice updating its “List of Goods Produced by Child Labor or Forced Labor” to include polysilicon produced in China.

June 24, 2021: Commerce Department adds five Chinese entities to the Entity List, which restricts American companies from exporting products and technology to them.
June 24, 2021: President Biden releases a statement denouncing Beijing’s repression against Hong Kong that resulted in the closure of Apple Daily, a tabloid-style newspaper. He expresses US support for Hong Kong’s autonomy and for Hong Kong’s right to freedom of the press.

June 29, 2021: US Congressional-Executive Commission on China holds a roundtable entitled “One Year of the National Security Law’s Repression of Fundamental Freedoms in Hong Kong.”

July 6, 2021: Secretary Blinken meets with seven Uyghur internment camp survivors, advocates, and relatives of detained individuals to express the US commitment to human rights and to working with allies to bring an end to PRC crimes against Uyghurs and other minority groups in Xinjiang.

July 7, 2021: China’s State Council announces it is stepping up scrutiny of Chinese companies that list on US exchanges. It will update the rules of the overseas listing system for domestic enterprises and tighten restrictions on cross-border data flows and security.

July 7, 2021: China’s Special Representative on Korean Peninsula Affairs Liu Xiaoming holds a phone call with US Special Representative for the Democratic People’s Republic of Korea Sung Kim.

July 9, 2021: Commerce Department adds 14 Chinese entities to the Entity List over alleged human rights abuses and high-tech surveillance in Xinjiang.

July 11, 2021: Secretary Blinken issues statement on the fifth anniversary of the Arbitral Tribunal Ruling on the South China Sea, reaffirming US policy of July 13, 2020 regarding maritime claims in the South China Sea.

July 12, 2021: Guided-missile destroyer USS Benfold conducts a freedom of navigation in the vicinity of the Paracel Islands.

July 13, 2021: State Department and other US agencies issue Xinjiang Supply Chain Business Advisory, urging US businesses and individuals to cut ties Xinjiang or risk violating US law.

July 16, 2021: Departments of State, Treasury, Commerce, and Homeland Security issue a business advisory to warn US businesses of risks to their activities in Hong Kong and encourage due diligence to mitigate such risks.

July 16, 2021: Secretary Blinken issues a statement to mark one year since China imposed the National Security Law on Hong Kong, noting how Hong Kong’s democracy has been undermined and expressing the US commitment to supporting the rights and freedoms of the people of Hong Kong.

July 16, 2021: Secretary of the Treasury Janet Yellen comments that the trade agreement between the US and China fails to address the most pressing disputes and that the associated tariffs have harmed US consumers.

July 17, 2021: Treasury Department adds seven people from China’s Hong Kong Liaison office to its “specially designated nationals list.”

July 19, 2021: United States, along with many of its allies, criticize the PRC’s use of criminal contract hackers to conduct unsanctioned cyber operations globally. Secretary Blinken releases a statement condemning China’s alleged disruptive and destabilizing behavior in cyberspace and its threat to US economic and national security.

July 19, 2021: Department of Justice charges four Chinese nationals who allegedly work for the Hainan State Security Department, a provincial arm of the Ministry of State Security, with hacking the computer systems of dozens of companies, universities, and government entities in the US and abroad between 2011 and 2018.

July 20, 2021: House Foreign Affairs Subcommittee on Asia, the Pacific, Central Asia, and Nonproliferation hosts a subcommittee hearing on US–European Cooperation on China and the Broader Indo-Pacific.

July 22, 2021: A federal grand jury in New York files an indictment charging nine individuals with acting and conspiring to act in the US as illegal agents of the PRC.

July 22, 2021: House Armed Services Committee’s Defense Critical Supply Chain Task Force releases report calling for provisions in the upcoming defense policy bill that will require the Pentagon to reduce reliance on Chinese-sourced products.

July 23, 2021: US prosecutors drop case against five Chinese researchers accused of concealing ties to the PLA on their visa applications. Prosecutors gave no explanation as to why charges were withdrawn.

July 23, 2021: China retaliates against the July 16 US imposition of financial sanctions on officials in the Liaison Office of the Hong Kong government, imposing sanctions on seven US individuals and an entity, including former Secretary of Commerce Wilbur Ross.

July 25–26, 2021: Deputy Secretary of State Wendy Sherman visits Tianjin and meets with State Councilor and Foreign Minister Wang Yi and Vice Minister Xie Feng.

July 27, 2021: President Biden warns that the US could end up in a “real shooting war” with a “major power” as the result of a significant cyber-attack on the country.

July 28, 2021: US destroyer USS Benfold, transits the Taiwan Strait.

July 28, 2021: During his visit to New Delhi, Secretary Blinken meets Ngodup Dongchung, a representative of the Central Tibetan Administration, also known as the Tibetan government in exile.

July 28, 2021: Newly appointed Chinese Ambassador to United States Qin Gang arrives in Washington and hosts a news conference hours after his arrival, during which he calls for Washington and Beijing to “rebuild trust.”

July 28, 2021: US Naval Chief Adm. Michael Gilday states that the US would ensure “all nations can benefit from resource-rich international waters” and that the 1982 UN Convention on the Law and the Sea (UNCLOS) is “enforceable” and “unambiguous.”

July 30, 2021: US Securities and Exchange Commission says that it will require additional disclosures from Chinese companies seeking public listings in the US.

Aug. 2, 2021: State Department spokesman Ned Price states that there is an “alignment of interests” between what the US and China seek in Afghanistan.

Aug. 4, 2021: Defense Security Cooperation Agency announces that the State Department has approved the sale of a new arms package to Taiwan. The package features 40 155mm M109A6 Medium Self-Propelled Howitzer Systems, among other equipment.

Aug. 5, 2021: President Biden directs Deferred Enforced Departure for Hong Kong residents in the United States for 18 months, joining US partners and allies in offering safe haven to residents fearful of returning to Hong Kong.

Aug. 6, 2021: Speaking virtually at the ASEAN Regional Forum foreign ministers’ meeting, Secretary Blinken tells the closed-door gathering that China’s expanding nuclear capabilities highlight how “Beijing has sharply deviated from its decades-old nuclear strategy based on minimum deterrence.”

Aug. 9, 2021: Speaking in the UN Security Council, Secretary Blinken and China’s Deputy UN Ambassador Dai Bing blame each other’s country for creating instability in the South China Sea.

Aug. 11, 2021: Secretary Blinken condemns Beijing’s sentencing of Canadian citizen Michael Spavor, saying his detention was politically motivated, and calls for the immediate release of all people ‘arbitrarily’ detained in China.

Aug. 11, 2021: Deputy Secretary of State Wendy Sherman meets Qin Gang, China’s new ambassador to the US, at the State Department in Washington.

Aug. 12, 2021: Adm. Charles Richard, head of the US Strategic Command, states at the Space and Missile Defense Symposium that China’s investments in its nuclear arsenal constitute “strategic breakout” and will shortly allow Beijing to execute “any plausible nuclear” strategy it wishes to pursue.

Aug. 16, 2021: Chinese State Councilor and Foreign Minister Wang Yi exchanges views with Secretary Blinken over the phone on the situation in Afghanistan.


Aug. 23, 2021: US Department of Justice requires Hong Kong–based news outlet Sing Tao to register subsidiaries in the US as foreign agents.

Aug. 27, 2021: Office of The Director of National Intelligence (ODNI) and National Intelligence Council releases its Summary of Assessment on COVID–19 origins, concluding with “low confidence” that the virus was “probably not” genetically engineered. President Biden issues a statement on the report.

Aug. 27, 2021: Navy guided-missile destroyer USS Kidd and Coast Guard National Security Cutter USCG Munro pass through the Taiwan Strait, marking the eighth transit of the waters this year by a US warship.

Aug. 29, 2021: Chinese State Councilor and Foreign Minister Wang Yi and Secretary Blinken hold a phone conversation, exchanging views on the situation in Afghanistan and bilateral ties.

Aug. 31, 2021: American Chamber of Commerce in Chengdu announces that Chinese authorities have compelled the office to shut down.

Aug. 31, 2021: Chinese Ambassador to the US Qin Gang delivers a keynote address at the National Committee on US-China Relations (NCUSR).

Chronology by former GMF Program Assistant Taili Ni and former GMF Research Intern Daniel Fu.
US relations with both South and North Korea were—with a few notable exceptions—uneventful during the May–August 2021 reporting period. If US–Korea relations displayed some excitement, it was largely along the Washington–Seoul axis. An inaugural leader summit between Presidents Joe Biden and Moon Jae-in took place in Washington, producing significant deliverables for the short, medium, and long term. Biden and Moon then participated in the June G7 summit in Great Britain. The US withdrawal from Afghanistan in August also provided South Korea with challenges and ponderables. Washington–Pyongyang communication was subdued, aside from standard North Korean criticism of US–South Korea joint military exercises. Even when the US and North Korea addressed each other with respect to dialogue, it was usually to underline for the other party how Washington or Pyongyang is willing to talk under the right circumstances, but capable of waiting out the other side. Late August added some spice, however, as the IAEA issued a credible report confirming what many had expected: North Korea has likely re–started fissile material production at the Yongbyon complex. Finally, outside the reporting period, Pyongyang tested a potentially nuclear–capable land–attack cruise missile on Sept. 11. Are these signs that sleeping dogs are stirring?

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US–South Korea Relations: Tending the Garden

Alliances are great—and in the contemporary world necessary—for major powers wishing to project power in the far abroad or shape the global system, as well as for middle powers seeking international influence disproportionate to their size. Alliances are also a lot of work, and one of the constants is that alliance partners have to communicate. Even when things are going well, alliance partners need to coordinate on issues, plan strategically for the future, exercise militaries jointly, and reassure each other that potential abandonment and/or entrapment has been banished.

If you talk to “alliance managers” in Washington, it’s quickly apparent that there is an infinite appetite—especially by “junior” partners in an alliance—for a phone call, quick chat, meeting, coffee, etc. with a counterpart, all in the name of reassurance. No alliance partner anywhere has ever said “yes, we are sated, no more reassurance is necessary.” This element of ally consultation has been the dominant feature of US–South Korea relations during the May–August reporting period. It is easy to criticize the many diplomatic meetings between US and South Korean officials as mere talk, but talk is the tool of alliance management.

The start of May was devoted to the oldest and most venerable of diplomatic discussions: sherpa talks to prepare the agenda for a leader–level meeting. The venue was interesting, however, as Foreign Minister Chung Eui-yong and Secretary of State Antony Blinken met on the sidelines of the G7 preparatory meeting hosted by Great Britain, which had invited South Korea as an observer. Global multilateral issues featured prominently—COVID vaccines, climate change, etc.—but Blinken found time to make statements calling for North Korean denuclearization, and the ministers included North Korea on their agenda. Meanwhile Chung gave a media interview advocating for the US to name a North Korea special representative. Doubtless Blinken and Chung tinkered with the agenda for the Biden–Moon summit in Washington, the contours of which had been laid out during the US–South Korea “2+2” (foreign and defense ministers) meeting in Seoul in March.

Biden and Moon came together for an inaugural summit on May 22. The agenda was full, including important dossiers on security and military cooperation, economics/trade, climate change, and, of course, public health (COVID–19) and North Korea. The latter two issues headlined the summit, as the Biden administration pledged 550,000 doses of Johnson and Johnson (Janssen) COVID–19 vaccines (later increased to more than 1 million, delivered in June), which were quasi–earmarked for the South Korean military. This was a welcome deliverable for Moon, as South Korea was slow in procuring vaccines. Samsung Biologics also signed a deal to produce Moderna’s vaccines in a local factory. The Biden administration used the summit with Moon to discuss the thrust of the Biden team’s approach to North Korean denuclearization and Korean Peninsula peace, the outlines of which were hinted at in Biden’s North Korea policy review. On the one hand, the policy review’s continued hard line on North Korea sanctions, coupled with a generally patient approach indicating how low North Korea was/is on the White House priority list, was likely a disappointment (although not a surprise) for Moon. On the other hand, Biden did name Sung Kim as North Korea Special Representative and reiterated an intention to honor the Moon–Kim Panmunjom Declaration...
and the Singapore statement produced at the first Trump–Kim summit.

The Biden–Moon summit had plenty of other items on offer as well. There were announcements of substantial Korean investment in US high-tech industry (notably computer chip and electric vehicle battery manufacturing). This was both a substantive and symbolic down payment on closer US–South Korea ties on “supply chain resilience” (i.e., anti–China technology investment), a major desideratum for the US. On the military front, the US agreed to abolish missile limitation guidelines restricting South Korean ballistic missile range, a win for both sides. The Biden–Moon summit joint statement also mentioned cooperation, consultation, or joint initiatives on cybersecurity, outer space, climate change, and next-generation technology (e.g., 6G, semiconductors, etc.). Since most of these issues fit within the concept of (re)building a “rules based–international order,” it is hard not to see that they are meant to bind South Korea in a closer regional and global partnership with the US that will play a part in a larger strategy of countering China in the Indo–Pacific. This was already evident in the way that the US persuaded South Korea to endorse summit joint statement language on human rights in Myanmar, coordination of Washington’s Indo–Pacific Strategy and Seoul’s New Southern Policy, and (most provocatively) “preserving peace and stability” in the Taiwan Strait.

The G7 meeting in June, hosted by Great Britain, included South Korea as an ad hoc guest invitee. Moon touted South Korea’s COVID–19 response and climate change efforts, and held the obligatory bilateral meetings. South Korea did not (as per protocol) sign on to the G7 joint communique, which contained some blunt language on countering China as well as a direct call for North Korean CVID (complete, verifiable, irreversible denuclearization/dismantlement) of its nuclear program. Moon did, however, sign on to a softer statement on democratic and human rights values, which was interpreted as also criticizing China.

Otherwise, June was quiet for Washington–Seoul relations. Blinken called on NATO to work more closely with South Korea. In early June new USFK/CFC/UNC commander Gen. Paul LaCamera formally assumed command, replacing Gen. Robert Abrams. In addition, South Korea’s Defense Minister Suh Wook announced increased cooperation with the US on space–related defense issues. Meanwhile Foreign Minister Chung met with Indo–Pacific Commander John Aquilino and a Congressional delegation visiting Seoul. The COVID–19 vaccines the US pledged to South Korea at the Biden–Moon summit arrived, including a top–up that took the number of doses to more than 1 million. US Special Representative for North Korea Sung Kim made a visit to Seoul to meet with his counterpart Noh Kyu–duk (and their Japanese counterpart) as well as President Moon. Moon scored a public diplomacy victory by being featured on the cover of Time magazine, fronting an interview in which he plugged the urgency of diplomatic negotiations and peace with North Korea.

The US–South Korea diplomacy festival continued in July. Special Representatives Noh and Kim spoke by phone, and US Deputy Secretary of State Wendy Sherman visited Seoul for wide–ranging talks with counterparts regarding North Korean denuclearization negotiations as well as bilateral US–South Korea topics and trilateral US–South Korea–Japan cooperation on regional issues. There was more punch at the end of the month—a preview of a more piquant August, in fact—as Seoul and Pyongyang announced an agreement to restore moribund hotline communications in the DMZ. This positive, albeit minimal, step followed a series of exchanged letters between Moon and North Korean Worker’s Party Chairman Kim Jong
The revelation of some of the letters’ contents—both leaders agreeing to restart the hotline communications as a first step to recovering “lost mutual trust” and rebuilding strained South–North ties—stoked muted optimism that progress on Peninsula reconciliation might open the door for US–North Korea talks, including on denuclearization.

August proved that even muted optimism about diplomacy with North Korea is a risky bet. No sooner did the two sides begin literally to pick up the phone (beginning Aug. 3) than Pyongyang metaphorically slammed the receiver down, launching several diatribes about combined US–South Korea military exercises planned (as usual) for mid–August. This was not unpredicted, but statements by Kim Yo Jong, sister of Kim Jong Un, denouncing the exercises as a “most intensive expression of Washington’s hostile policy” toward Pyongyang not only previewed another breakdown of inter-Korean communication, but also highlighted a wedge in US–South Korea relations. Lee In-young, South Korea’s minister for unification, had been already advocating skeletally scaled-down exercises throughout summer; his reticence was shared by more than 60 Democratic (ruling) Party lawmakers, who on Aug. 5 called for a delay or cancellation of the drills. In the end, the US–South Korea joint exercises were held as planned, with little novelty, aside from unusual Chinese criticism of the exercises by Foreign Minister Wang Yi, and a curious North Korean declaration on Aug. 19 of a “no–sail zone” for ships off its East Coast, often a sign that Pyongyang intends to carry out a missile test (which did not take place this time (see US–North Korea section below)).

Also in August, Blinken and Chung held phone talks on North Korea issues; US Trade Representative Katherine Tai (virtually) met her counterpart Yeo Han-koo to discuss Biden administration trade priorities, climate change, and supply-chain resilience; and North Korea Special Representatives Sung Kim and Noh Kyuduk met in person both in Seoul and Washington. Beyond tending the diplomatic garden, the US delivered on a promise to send COVID–19 vaccines to South Korea, with 400,000 doses of Johnson and Johnson (Janssen) arriving in mid–August (in addition to the million doses delivered in June). In the military sphere, Washington and Seoul also advanced their cooperation on space issues, while the US agreed (subject to Congressional approval) to sell more than $250 million in advanced arms (notably precision-guided munitions) to South Korea, increasing its warfighting capability and helping to advance wartime OPCON transfer to South Korea.

The final days of the reporting period presented a notable development: Afghanistan. The US withdrawal from the country, after 20 years, preoccupied South Korea both practically and intellectually. South Korea, like many US allies, was forced to scramble to pull out its diplomatic corps, military service people, civilians, and NGO representatives as the Afghan government and military dramatically collapsed in front of the Taliban’s advance toward Kabul. South Korea availed itself of US military air transport to withdraw some of its personnel. Moreover, South Korea, like many allies, was caught off-guard by the chaotic withdrawal, which damaged the image of US operational competence, an unsettling proposition for countries (like South Korea) reliant on the US for deterrence of adversaries. Although few experts would argue that South Korea has much to worry about in terms of US credibility due to the Afghanistan issue (the US military was in Afghanistan for 20 years, and has been in South Korea since 1950), the State Department and even President Biden felt the need to reiterate the ironclad US–South Korea alliance. Garden-tending is never-ending.

US–North Korea Relations: Nothing Happens Until Something Moves

For US–North Korea relations, most of the May–August reporting period was marked by how little took place. Far from the serious provocations that greeted previous administrations and prompted early standoffs, North Korea launched nothing but verbal volleys (at least not until the
reporting period was over), especially against Washington and the US–South Korea alliance. And while the Biden administration raised hopes that it might bring a more substantive approach to North Korea, avoiding both the previous administration’s emphasis on interpersonal relations and the inaction of the Obama administration, its spring policy review fizzled and there has been little since then to suggest that the administration has added substance to its approach. Instead officials are left to rote calls for more dialogue, and, when such calls are ignored, statements that Washington remains committed to denuclearization of the peninsula. Rep. Brad Sherman’s (D–California) “Peace on the Korean Peninsula Act” bill, which calls for negotiations to officially end the Korean War, represents a more hands–on approach than is usually seen in Congress, but it is unlikely (to put it mildly) that the Democratic leadership in the House of Representatives would permit legislation to go forward that pressures the Biden administration to commit to carrots when it is not yet ready to put down the stick.

The summer doldrums were enlivened a bit in August, however. Not only did Pyongyang lash out at US–South Korea combined military exercises, as mentioned above, but on Aug. 19 the Kim regime issued a navigational warning (a “no–sail zone”) for ships off its East Coast at the beginning of US–South Korea exercises. The US duly dispatched surveillance aircraft (JSTARS E–8C) to monitor the situation, as historically these navigational warnings signal that Pyongyang intends to carry out a missile test. Yet this time the navigational warning passed with no launch, leaving questions about the nature of the warning. Was it a ruse to sow confusion and doubt in the US–South Korea alliance, as the ruling party in Seoul already has an uneasy relationship with US–South Korea military exercises? Was it bait to see what surveillance aircraft the US would scrambled to observe the test? Was it a planned launch that North Korea scrubbed due to technical problems? Did adverse weather render the telemetry difficult, such that the launch was postponed? If an actual launch was in the offing, what system was to be tested?

The most substantial piece of news in US–North Korea relations—and perhaps a hint as to what lies ahead—occurred near the end of the period. A report to the International Atomic Energy Agency’s (IAEA) Board of Governors said on Aug. 30 that there were indications that a key nuclear reactor at the Nyongbyon Nuclear Scientific Research Center (also known as Yongbyon) had been activated in July. Yongbyon has long played a role in negotiations over the North’s nuclear programs—in 1994 it was shut down as part of the Agreed Framework, then was restarted in 2003 when that deal collapsed. The Six–Party Talks (2003–09) netted another closure in 2007, and the cooling tower at the site was demolished in 2008 in exchange for North Korea’s removal from the US’ State Sponsors of Terrorism list. In 2009, North Korea restarted operations at the site in response to UN condemnation of a satellite launch, as part of a tit–for–tat that resulted in the Six–Party Talks’ collapse and dashed hopes that the then–nascent Obama administration could break the deadlock in bilateral relations (see the reference above to “serious provocations and early standoffs”).

**Figure 5 GeoEye Satellite image of the Yongbyon Nuclear Scientific Research Centre in North Korea. Photo: AFP/GeoEye Satellite Image via SCMP**

The closing/re–opening of Yongbyon has been a recurrent theme in discussions, formal or otherwise, ever since. Satellite imagery suggested that the 5 MWe reactor was operating at, at most, a low level in recent years, but the symbolism of the site was significant enough that, as recently as 2018 the North, during its then–honeymoon with South Korea’s Moon administration, indicated that the site would be dismantled only in exchange for corresponding measures from the US. Those measures never came.

That the North's proliferation continues, even in the absence of a major provocation, has not been a mystery. On May 5 Principal Deputy Assistant Secretary of Defense for Homeland Defense and Global Security Jennifer Walsh said, in a statement to the House Subcommittee on Intelligence and Special Operations, that North Korea has not let up in its buildup of not only nuclear weapons, but chemical and biological
stockpiles as well. “Given the risk that Kim Jong Un could seek to employ [weapons of mass destruction] in the course of or to stave off a conflict on the Korean Peninsula, the Joint Force must be ready for any number of WMD-related contingencies that require operating in a CBRN contaminated environment,” Walsh commented.

On May 28 38 North, a source of North Korea analysis that frequently makes use of satellite imagery, noted ongoing activity at the site but “no clear evidence that spent fuel rods have been transferred from storage near the 5 MWe Reactor to produce plutonium.” The coal-fired thermal plant, the site noted, had been in operation since March, but the steam production witnessed there could “simply [be] related to the processing of radioactive waste from previous campaigns.”

Then came the report to the IAEA board on Aug. 30, which noted the discharge of cooling water “consistent with the operation of the reactor.” It added that the steam plant, the radiochemical laboratory at Yongbyon, had been in operation for the five-month period from mid-February to early July, a period “significantly longer than that observed in the past during possible waste treatment or maintenance activities,” and a time “consistent with the time required to reprocess a complete core of irradiated fuel from the 5MW(e) reactor.” 38 North chimed in again soon after, noting the discharge of cooling water into an outflow channel, which it described as “one of the key indicators of reactor operations.”

On Aug. 30, White House Press Secretary Jen Psaki told a press briefing that the IAEA’s report and the signs of activity in the area underscored the “urgent” need for dialogue to denuclearize the Korean Peninsula. “We continue to seek dialogue with the DPRK so we can address this reported activity in the full range of issues related to denuclearization,” she added. That Psaki stressed the administration’s continued effort to “seek” dialogue may be telling; while the administration’s more dovish critics may fault it for not taking bolder steps to “break the deadlock” (a favorite term of those who favor engagement) there have been signs, including in the previous reporting period, that North Korea is not especially interested in talking with Biden’s team for the moment.

One suspects that will change: Kim embarked on a charm offensive in 2018 once his country appeared to have obtained thermonuclear capability as well as an ICBM capable of reaching the entire continental US. North Korea prefers to enter negotiation phases from a position of perceived leverage. But what would they be waiting for this time? Kim has discussed development of any number of new weapons systems, from “electronic warfare equipment” to nuclear submarines to tactical nuclear weapons. The latter of those technologies has now been demonstrated, as Pyongyang reportedly carried out tests of a possibly nuclear-capable land-attack cruise missile on Sept. 11 and 12. Could that demonstrated new capability unlock a willingness to talk to Washington? Perhaps, but Kim is probably also waiting for the resolution to his country’s COVID woes (an especially difficult target, considering his refusal to accept foreign vaccines), along with his own possible personal health issues. Seoul was, as the previous section mentions, reminded of how capricious Pyongyang’s communications can be; in the end, nothing we have seen in the last four months suggests they are about to start taking Washington’s calls.

Conclusion: Take Heed of Still Waters

On the one hand, the Biden administration has made good on its promise to prioritize alliances, and signs suggest that it and the Moon administration get along, even if Washington cannot embrace negotiations with Pyongyang as enthusiastically as Seoul would like. With burden-sharing no longer looming over US-ROK ties, the allies have avoided tensions of the sort that marked the last year of the Trump administration, and reports suggest that publics in the two countries remain supportive of the alliance. The Biden team’s lifting of missile restrictions on the South has allowed Seoul to move forward with missile technology that, while not fitted with a nuclear warhead, is nevertheless very powerful and capable of serving as a serious conventional deterrent to North Korea’s nuclear weapons. Washington is also probably heartened that Seoul is proceeding with defense spending increases, to the tune of 5.8% a year for three years.

Finally, just because there was not much excitement in this reporting period does not mean that the reporting period was unimportant—absence of evidence is not evidence of absence. The relative quiet—still waters, if you will—is seemingly indicative of something consequential deep below the placid surface: a “new normal” might be consolidating in terms of the US vision of the Korean Peninsula,
as Washington increasingly sees its relations with both Koreas as subordinated to great power competition with China. If true, this would place new pressure on South Korea to view the alliance with the US in a more comprehensive perspective, while incentivizing the US to middle-/long-term de-prioritization of diplomacy with Pyongyang, provided the latter does not come to the negotiating table with a credible offer on denuclearization. De facto this would mean increasing the role of nuclear deterrence in the region, a potential Pandora’s box.
CHRONOLOGY OF US-KOREA RELATIONS

MAY – AUGUST 2021

May 1, 2021: South Korea’s Ministry of Foreign Affairs says that it will continue to coordinate with the US to encourage Washington to resume long-stalled denuclearization talks with North Korea.

May 3, 2021: South Korean Foreign Minister Chung Eui-yong and his US counterpart, Antony Blinken, hold bilateral talks on the margins of a Group of Seven (G7) meeting in London.

May 4, 2021: Secretary Blinken calls for coordinated efforts to denuclearize North Korea at the G7.

May 5, 2021: Principal Deputy Assistant Secretary of Defense for Homeland Defense and Global Security Jennifer Walsh says that North Korea continues to build up its chemical and biological weapons in addition to its nuclear weapons.

May 7, 2021: South Korean Foreign Minister Chung Eui-yong says it is “desirable” for the US administration to appoint a special representative for North Korea.

May 8, 2021: Former South Korean Prime Minister Hwang Kyo-ahn says that the US and South Korea must remain firm and flexible in their commitment to denuclearize North Korea.

May 10, 2021: Department of Defense spokesman John Kirby says that the source and destination of illicit weapons seized over the weekend in Arabian waters are still under investigation, adding that the US does not exclude North Korea from its list of potential destinations.

May 12, 2021: Head of South Korea’s National Intelligence Service (NIS) Park Jie-won meets the intelligence chiefs of Japan and the United States in Tokyo and exchanges views on North Korea and other relevant issues.

May 13, 2021: US Director of National Intelligence Avril Haines visits the Demilitarized Zone separating the two Koreas as Washington seeks to round out its policy on North Korea.

May 14, 2021: Secretary Blinken reaffirms his country’s commitment to UN Security Council resolutions on North Korea, amid US outreach for engagement with the reclusive North.

May 16, 2021: North Korean propaganda outlets criticizes South Korea’s biennial integrated defense exercise with the United States, warning that it will only “stab itself in the eyes” by confronting the North.

May 18, 2021: President Joe Biden says that the United States will provide up to 80 million doses of COVID-19 vaccines to other countries by the end of next month, reiterating his pledge to turn the US into an “arsenal” of vaccines for the entire world.

May 19, 2021: South Korean President Moon Jae-in heads to the US for summit talks with President Biden on COVID-19 vaccine cooperation, North Korea, alliance issues and bilateral economic partnership.

May 21, 2021: During a tour of the US, President Moon meets House Speaker Nancy Pelosi and other congressional leaders to discuss the alliance, North Korea and COVID-19 vaccines.
May 22, 2021: President Moon and President Biden held 171 minutes of one-on-one, small group, and expanded summit meetings, about 20 minutes longer than meetings between the US president and Japanese Prime Minister Yoshihide Suga. Moon and Biden reaffirm their security alliance and committed to a string of partnerships in vaccine collaboration and North Korea. Moon also announces a joint decision with the US to end guidelines that restricted Seoul’s development of missiles, and an agreement to work together to build stable supply chains for semiconductors, electric vehicle batteries and medical supplies.

May 22, 2021: Biden pledges to provide full vaccinations for all 550,000 South Korean troops, agreeing to pursue a global COVID-19 vaccine partnership.

May 22, 2021: South Korean biopharmaceutical firm Samsung Biologics signs a deal to manufacture Moderna’s COVID-19 vaccine at its local factory.

May 24, 2021: ROK Unification Minister Lee In-young says the summit between Presidents Moon and Biden created “sufficient” conditions need to resume the long-stalled dialogue with North Korea.

May 26, 2021: US Ambassador to Indonesia Sung Kim begins his work as a special representative for North Korea, speaking with his Japanese counterpart, Takehiro Funakoshi.

May 28, 2021: South Korea’s Unification Ministry says it will seek to restore communication lines and dialogue with North Korea based on “sufficient conditions” for engagement created by the summit between Presidents Moon and Biden.

May 28, 2021: 38 North says that North Korea appears to be continuing activities at its Yongbyon nuclear complex but no clear evidence has been detected to determine if spent fuel rods have been transferred from the storage facility to produce plutonium.

May 31, 2021: North Korea slams the US lifting of missile restrictions on South Korea as a “stark reminder” of Washington’s hostile approach to Pyongyang, saying the recently unveiled US policy on North Korea is “just trickery.”

June 1, 2021: ROK intelligence chief Park Jie-won is expected to return home after a weekend trip to the US that apparently focused on discussions with his counterparts on North Korea.

June 2, 2021: Secretary Blinken has called on NATO members to deepen their cooperation with South Korea amid US efforts to reinforce cooperation between US allies.


June 4, 2021: ROK FM Chung meets three visiting US senators (Tammy Duckworth (D-Illinois), Chris Coons (D-Delaware), and Dan Sullivan (R-Alaska)) and discusses bilateral and alliance issues.

June 5, 2021: US Sen. Duckworth says that the recent lifting of US curbs on South Korea’s missile development would be “complementary” to America’s regional deterrence efforts.

June 6, 2021: South Korea plans to accelerate its space development program including boosting cooperation with the US in a move that may help the Biden administration’s Asia strategy to check China’s growing global clout.

June 6, 2021: ROK Unification Minister Lee calls for “maximum flexibility” in deciding what to do with joint military exercise with the US set for August, saying such drills should never serve as a chance to cause additional tensions on the Korean Peninsula.
June 7, 2021: South Korea’s First Vice Foreign Minister Choi Jong-kun plans to visit Washington later this week for talks with US Deputy Secretary of State Wendy Sherman to discuss bilateral, regional and global issues between the two countries.

June 8, 2021: Secretary Blinken pledges to work with the two Koreas to help realize long-awaited reunions of Korean-Americans with families in the North, calling it a “heart-wrenching” issue.

June 9, 2021: President Moon will visit Britain for G7 summit followed by state visits to Austria and Spain for talks on bilateral ties.

June 10, 2021: State Department spokesman Ned Price says the US seeks to engage with North Korea diplomatically to make progress toward the denuclearization of the Korean Peninsula.

June 10, 2021: Cheong Wa Dae (the Blue House) says that South Korea and the US have established a senior-level expert group to follow up on their summit deal on their “vaccine partnership.”

June 12, 2021: Secretary Blinken stresses the need to work with China to denuclearize the Korean Peninsula in a phone call conversation with his Chinese counterpart, Yang Jiechi.

June 13, 2021: G7 nations issue a joint statement calling for the complete denuclearization of North Korea, welcoming the commitment of Washington to engage with Pyongyang through diplomacy.

June 18, 2021: North Korean leader Kim Jong Un says the North should be ready for both dialogue and, more importantly, confrontation with the United States, while calling for efforts to stably control the situation on the Korean Peninsula.

June 19, 2021: US Special Representative for North Korea Sung Kim arrives in Seoul for talks with his South Korean and Japan counterparts to resume nuclear diplomacy with Pyongyang.

June 21, 2021: Sung Kim says he looks forward to Pyongyang giving a “positive response soon” to Washington’s dialogue offer, referring to Kim Jong-un’s recent remarks that Pyongyang should be ready for both dialogue and confrontation.

June 22, 2021: State Department spokesman Ned Price says the United States is willing to hold dialogue with North Korea at any time and any place.

June 22, 2021: South Korea and the United States agree to consider terminating their “working group” forum on North Korea policy.

June 23, 2021: US Special Representative for North Korea Sung Kim wraps up his five-day trip to Seoul after redoubling Washington’s calls for dialogue with a recalcitrant Pyongyang.

June 24, 2021: President Moon reafirms his commitment to doing his best to reinvigorate the Korea peace process in a Time magazine interview.

June 25, 2021: Moon Chung-in, former adviser to the South Korean president, says ending the bilateral “working group” forum on North Korea policy between South Korea and the United States cannot be an incentive for Pyongyang to return to the negotiating table.

June 29, 2021: South Korea and the US agree to speed up cooperation in supply chains such as memory chip and battery sectors, in the follow-up to the outcome of their leaders’ summit.

July 2, 2021: US shortlists North Korea as a nation complicit in human trafficking and forced labor again.

July 3, 2021: Pentagon spokesman John Kirby says that the US remains committed to the joint defense of South Korea and that includes maintaining an appropriate level of US forces on the Korean Peninsula.
July 5, 2021: South Korea’s Navy joins a US-led multinational maritime exercise Vanguard in Australian waters to enhance cooperative operation abilities.

July 7, 2021: US Special Representative for North Korea Sung Kim has phone talks with Chinese counterpart after he sought to reach out to North Korea during his trip to the South.

July 8, 2021: RIK chief nuclear negotiator Noh Kyu-duk speaks by phone with US counterpart Sung Kim and discussed efforts to advance the peace process on the Korean Peninsula.

July 12, 2021: North Korea’s foreign ministry accuses the United States of using humanitarian aid as a political tool to interfere with North Korea’s internal affairs.

July 20, 2021: Pentagon spokesman John Kirby says that the United States maintains and continues to advance its capabilities to counter any cyber-attacks from China and North Korea.

July 21, 2021: Deputy Secretary of State Sherman stresses the importance of cooperation between the US, South Korea, and Japan in addressing regional issues such as the denuclearization of the Korean Peninsula.

July 23, 2021: South Korea’s First Vice Foreign Minister Choi Jong-kun and US Deputy Secretary of State Sherman have talks in Seoul over stalled nuclear diplomacy with North Korea and other bilateral and global issues.

July 26, 2021: Deputy Secretary Sherman highlights need for the US and China to work together in dealing with regional and global issues such as nuclear-armed North Korea during her visit to China.

July 28, 2021: ROK FM Chung calls inter-Korean hotline restoration to restore trust and improve ties between the South and North.

July 31, 2021: Congressman Brad Sherman (D-California) proposes the “Peace on the Korean Peninsula Act,” which more than a dozen US lawmakers sign on to, seeking to formally end the Korean War and establish liaison offices between the United States and North Korea.

Aug. 1, 2021: Kim Yo Jong, sister of the North Korean leader, warns that annual military drills between South Korea and the United States will cloud the future of inter-Korean relations.

Aug. 2, 2021: ROK Unification Ministry says that South Korea will deal with the issue of joint military drills with the United States in a “wise” and “flexible” manner so as to not heighten tensions on the Korean Peninsula.

Aug. 4, 2021: US national intelligence officer for North Korea at the Office of the Director of National Intelligence Sydney Seiler says that the US will never accept a nuclear-armed North Korea.

Aug. 6, 2021: Director-general and deputy-level officials of the United States and South Korea meet to coordinate efforts to achieve the denuclearization of the Korean Peninsula.

Aug. 8, 2021: South Korea decides to conduct upcoming military exercise with the United States as planned despite North Korea’s warning.

Aug. 9, 2021: Secretary Blinken expresses a willingness to consider different “options” and “possibilities” with North Korea in a renewed call for its return to dialogue at a regional forum.
Aug. 9, 2021: Chinese Foreign Minister Wang Yi says the upcoming US–ROK military exercise is not “constructive,” calling for Washington to avoid any action that would cause tension with North Korea.

Aug. 10, 2021: Kim Yo Jong, sister of Kim Jong Un, slams South Korea and the United States for going ahead with joint military exercises, denouncing the drills as the “most intensive expression” of Washington’s hostile policy toward Pyongyang.

Aug. 11, 2021: Cheong Wa Dae dismisses an allegation that it might have had a secret deal with North Korea for the reconnection of direct communication channels earlier this month.

Aug. 12, 2021: United States Trade Representative Katherine Tai virtually meets with South Korea's Trade Minister Yeo Han-Koo to discuss the Biden–Harris administration’s trade priorities and opportunities in supply chain resilience, tackling climate change and WTO reform.

Aug. 12, 2021: North Korean Ambassador to Moscow Sin Hong-chol calls for US troop withdrawal from South Korea and called the US–ROK joint military exercise a “war rehearsal.”

Aug. 13, 2021: North Korea denounces the expiration of a pandemic-related US government ban on residential evictions, saying Washington should address its own human rights issues before “poking its nose” into other countries’ affairs.

Aug. 15, 2021: 400,000 doses of Johnson & Johnson’s Janssen COVID–19 vaccine that the US agreed to provide arrive in South Korea on Sunday, according to the US Embassy in Seoul.

Aug. 16, 2021: US aids the evacuation of South Korean Embassy staff in Afghanistan under a memorandum of understanding that the two countries signed earlier this year in the event of a contingency.

Aug. 16, 2021: South Korea and the United States start their annual joint military training Monday amid North Korea’s strong protest and threats of a serious security crisis.

Aug. 18, 2021: ROK Unification Minister Lee urges North Korea to come back to the negotiating table within this year, expressing concerns that upcoming political events in the region could slow down the peace process with Pyongyang.

Aug. 19, 2021: North Korea reportedly declares a no-sail zone for ships off the east coast, indicating that it had plans to launch missiles amid a military exercise between South Korea and the United States.

Aug. 20, 2021: State Department spokesperson Ned Price says that the Biden administration prioritizes alliances with NATO, South Korea, and Taiwan as a “profound source of strength” for the United States.

Aug. 21, 2021: US Special Representative for North Korea Sung Kim arrives in Seoul for talks with his South Korean and Russian counterparts to resume dialogue amid renewed tensions over the ongoing military exercise between Seoul and Washington.

Aug. 23, 2021: US special representative for North Korea Sung Kim and South Korean counterpart Noh Kyu-duk discuss humanitarian aid to North Korea. The next day, ROK Unification Minister Lee meets with the US envoy and discusses a coordinated approach to jump-start stalled talks with the North.

Aug. 25, 2021: ROK Unification Minister Lee calls on Russia to play a “constructive role” in advancing the peace process on the Korean Peninsula during talks with Moscow’s nuclear envoy.

Aug. 29, 2021: South Korean Air Force Chief of Staff Gen. Park In–ho signs a deal with the chief of the US space operations and agrees to form a joint consultative body on space policy to strengthen cooperation.

Aug. 30, 2021: UN nuclear watchdog says it has detected “deeply troubling” indications of Yongbyon nuclear reactor operating since July, including the release of cooling water.
Aug. 30, 2021: White House press secretary Jen Psaki stresses the “urgent need” for dialogue and diplomacy with North Korea following news that the North had restarted activity at its primary nuclear reactor for the first time in three years.

Aug. 30, 2021: 38 North publishes additional evidence of the Yongbyon 5 MWe reactor's activation, namely “a discharge of cooling water into a new outflow channel.”

Aug. 31, 2021: US Special Representative for North Korea Sung Kim expresses hope for North Korea's return to dialogue, saying the US remains committed to the denuclearization of the Korean Peninsula through dialogue and diplomacy.

Aug. 31, 2021: ROK Unification Minister Lee calls for the early resumption of talks with North Korea, saying dialogue is the only way toward achieving objectives that everyone wants.

Chronology compiled by Pacific Forum Research Intern Hanmin Kim.
In the months immediately following Joe Biden’s inauguration, Southeast Asia was on the backburner in US foreign policy, but in May the administration heeded calls for a stronger voice and more active role in the region with a succession of visits by high-level officials, culminating in Kamala Harris’s first trip to the region in her role as vice president. The cumulative impact remains to be seen, but one key “deliverable”—the renewal of the US–Philippines Visiting Forces Agreement (VFA) during Secretary of Defense Lloyd Austin’s visit to Manila—was enough to label the summer strategy a success. More broadly, the administration responded to the surge of the COVID Delta variant in Southeast Asia with donations of vaccines, making considerable strides in the “vaccine race” with China and Russia.
Although Southeast Asia began 2021 with optimistic predictions of growth rates close to 6%, those figures have been revised downward with new surges of the coronavirus beginning in April; by the end of August some countries were in economic contraction and others had their forecasts slashed to a third of the original figure. The continuing economic crisis has raised concerns over Southeast Asia’s place in global supply chains, an issue that Harris addressed overtly on her trip. The pandemic has also roiled politics in the region, pushing Malaysia to change prime ministers and strengthening opposition against the government of Thai Prime Minister Prayuth Chan-ocha. COVID was a factor—but only one—contributing to the deteriorating situation in Myanmar. Over the summer the opposition turned increasingly to armed resistance, while the junta strengthened its ties to Beijing and Moscow.

Diplomatic Surge

With the immediate challenges in foreign and domestic policy facing the new Biden administration, Southeast Asia policy was on autopilot for the first half of 2021. However, that in itself was a weak course: Southeast Asians were uncertain about the new administration’s approach to China; governments were caught off guard by stronger COVID variants; the previous administration had failed to forge a coherent trade policy with the region; and half of Southeast Asian countries lacked a US ambassador confirmed by the Senate. To underscore this low point in relations, an attempt on May 25 by Secretary of State Antony Blinken to organize a virtual US-ASEAN ministerial meeting during an airport layover left Southeast Asian foreign ministers waiting at their screens for an hour before the effort was abandoned for lack of an internet connection.

The Blinken meeting was intended to herald a new US diplomatic push with Southeast Asia. It was an embarrassing stumble out of the gate, but was eclipsed by the four high-profile visits to the region that followed. In late May and early June, Deputy Secretary of State Wendy Sherman visited Indonesia, Cambodia, and Thailand. In late July Secretary of Defense Austin traveled to Singapore, Vietnam, and the Philippines. (The cancellation of the Shangri-la Security Dialogue in Singapore for the second year in a row because of COVID forced Austin to postpone his planned debut trip to the region in June). In late August, US Ambassador to the United Nations Linda Thomas-Greenfield made a brief stopover in Bangkok, on the sidelines of attending the closing ceremonies of the Olympics in Tokyo. Also in late August, Vice President Kamala Harris visited Singapore and Vietnam, making her the first US vice president to visit Vietnam.

Although these visits strengthened “America is back” optics in Southeast Asia, they pursued several more fundamental objectives. Itineraries were drawn up to underscore key US relationships in the region, although Harris did not visit either of Washington’s two Asian treaty allies, Thailand or the Philippines. Making Jakarta the first stop on Sherman’s itinerary was intended to signal continued US support for “ASEAN centrality” in the face of Biden’s growing support for the Quadrilateral Security Dialogue (“Quad”) as an element of Asian regional architecture. However, Washington will be expected to do more than maintain its rhetorical position to strengthen relations with ASEAN as a group: for the duration of the Trump administration, the US did not have a Senate-confirmed ambassador to ASEAN in Jakarta. US officials uniformly reiterated Washington’s support for the ASEAN Five-Point Plan for Myanmar, although there were few indications throughout the summer that either side in the conflict there was prepared to embrace the plan in its entirety.

With Southeast Asia in the grip of a new and more serious surge of COVID-19, US officials also underscored Washington’s position as a major vaccine donor. In Hanoi, Harris announced the opening of a Centers for Disease Control and Prevention (CDC) office in Vietnam to help coordinate US efforts in Southeast Asia, and also pledged 1 million doses of COVID vaccine to
Vietnam, to be delivered within 24 hours. Harris was unwittingly pulled into a round of “vaccine poker” when China increased its own vaccine pledge to Vietnam just prior to her arrival in Hanoi. Vietnamese officials attempted to derail the competition with a public reminder that Hanoi “does not ally with one country against another,” one of its longstanding “Three No’s.”

Renewing the VFA

Figure 2 US Secretary of Defense Lloyd Austin fist-bumps with Philippines President Rodrigo Duterte during a courtesy call at Malacalang Palace in Manila on July 29, 2021. Photo: Robinson Ninal/Malacalang Presidential

The most important deliverable of the administration’s tag-team visits over the summer was clearly the renewal of the 1998 US–Philippines Visiting Forces Agreement (VFA), which facilitates military-to-military cooperation between the two countries. Although it was signed during a period of relative peace in the region, the VFA has become increasingly relevant, both to the Philippines’ defense against Chinese maritime aggression and as a vehicle for cooperation on counter-terrorism in Mindanao. On July 30, when Austin was in Manila, Philippine Defense Secretary Delfin Lorenzana announced that President Rodrigo Duterte had consented to the renewal, although that had been assumed since early August. Lorenzana also signaled that he and Austin were discussing a side agreement to the VFA that would govern the conduct of US forces in the Philippines, but this is expected to be a long-term effort.

Duterte had dragged out negotiations for renewal of the VFA for more than a year in protest of criticism in the US Congress of human rights violations connected to his anti-drug campaign. The Biden administration had demonstrated considerable patience in the face of demands, aided by careful choreography between Austin and Lorenzana. Although the renewal is expected to stick, Duterte will likely remain a thorn in the side of US–Philippine security relations beyond his tenure as president: on Aug. 25 he announced that he would run for vice president in the 2022 general elections, presumably with a hand-picked presidential candidate.

Duterte has publicly linked his agreement to the renewal to Washington’s steady supply of COVID vaccines to the Philippines—nearly 3 million doses of the Johnson & Johnson vaccine in July and an equal number of Moderna in early August. He was also likely influenced by growing public disapproval of his handling of Chinese incursions into Philippine territorial waters in the South China Sea; the appearance of a 200-ship Chinese flotilla off Johnson Shoal in the spring did particular damage to his image. In July a Social Weather Survey showed that 47% of respondents did not believe the government was making sufficient effort to assert the Philippines’ rights in the West Philippine Sea, while another 29% were uncertain. This contrasts unfavorably to Duterte’s overall popularity rating, which has stayed above 75% for the duration of his term.

Allies, Partners, and Strategic Partners

Renewal of the VFA is a return to the status quo ante and so cannot be scored as a leap for US security policy in Southeast Asia, but it will mitigate the Chinese narrative that the United States is losing both strength and resolve in the region. Nevertheless, securing the VFA was an affirmation of the US–Philippines alliance. At the same time, the Thai press was quick to view the Austin and Harris trips as snubbing Bangkok and questioned the course of the US–Thailand alliance. Although Deputy Secretary Sherman and Ambassador Thomas–Greenfield made stops in Thailand, these were essentially placeholder visits without notable deliverables. Moreover, Bangkok and, to some extent Manila, worry that Washington is giving priority to its newer security partners in the region, particularly Singapore and Vietnam.

But if US–Singapore military-to-military relations are solid, the same cannot be said for the emerging security relationship with Vietnam. Vice President Harris’ declaration in Hanoi that the United States was receptive to forging a strategic partnership with Vietnam got a cool response from Hanoi. Vietnamese officials offered no public comment but the near-term prospects for a US–Vietnam strategic
partnership are slim. Both US and Vietnamese officials acknowledge informally that the two countries often act together “strategically.” Hanoi has a number of strategic partnerships with other countries, including China, and seeks to strengthen its relations with the United States.

However, with tensions between the United States and China still high, an announcement that Vietnam was willing to upgrade its comprehensive partnership to a strategic one with Washington would be an obvious provocation to Beijing. Moreover, a strategic partnership applies across the board, and it is not clear what Washington is willing to offer in other areas of the relationship, particularly in trade. Vietnam’s strategic partnership with South Korea led to a bilateral free trade agreement, albeit with a six-year interval, but the Biden administration does not appear willing to commit to new FTAs at this point. Nevertheless, the essential trajectory of US–Vietnam relations is positive, which is sometimes demonstrated in the breech. In June the two countries announced that they had settled US charges of currency manipulation with a pledge from Vietnam that it would refrain from devaluing the dong to gain an export advantage.

A significant but more elusive issue in US security relations with Southeast Asia concerns US reliability as a partner. The message that the United States was “back” was a talking point for all four trips, and Harris announced Washington’s willingness to host the 2023 APEC leaders’ meeting when she visited Singapore. However, she arrived there as the Taliban was consolidating its hold on Afghanistan and weathered criticism from the press over the meaning and chaos of the US withdrawal. This is likely to be a transitory issue for Southeast Asian leaders, if it is an issue at all. Although some senior officials are inclined to draw comparisons between the fall of Kabul and that of Saigon in 1975, most do not view the US departure from Afghanistan as a sign that the United States will pull back from its commitment to security in the Indo-Pacific region.

To be sure, the events in Afghanistan will alter some security dynamics in the Indo-Pacific. Chinese and Russian moves to establish closer relations with the Taliban will give them greater geostrategic space in South Asia and the Middle East, and the return of a theocratic state in Afghanistan will reinvigorate jihadist activity around the world. The terrorist threat will likely rise in Indonesia, Malaysia, and the Philippines. If Jakarta seeks to strengthen counterterrorism cooperation with the US and Australia, it will be comforted by the distinction that Biden drew between counterterrorism and nation-building when Kabul fell, which will make assistance more palatable.

Southeast Asian leaders also worry that the Biden administration will continue former Secretary of State Mike Pompeo’s harsh line against China and ASEAN states will continue to be caught in the middle. Both Harris and Austin made strong speeches centered on China during their trips, and Sherman’s visit to Cambodia was perceived as a sign of concern over Chinese intentions to refurbish Ream Naval Base for their exclusive use. The Harris address was particularly strong, painting China as a regional bully; the Chinese surrogate press, quick to play to Southeast Asian fears of divisiveness, charged that the Biden administration was attempting to “create a chasm.” Southeast Asian states with claims in the South China Sea or that are otherwise challenged by China in maritime zones welcome a principled defense of their sovereignty from Washington. In their view, however, rhetorical jousting—particularly with ideological overtones—only increases the conflict and makes it difficult for ASEAN to maintain good relations with both sides.

**Countering the COVID Surge**

Of most immediate concern to Southeast Asia is the need to curb the new surges of COVID–19 and promote economic recovery from the pandemic. Southeast Asia has some of the world’s highest COVID death rates; in the first two weeks of August, the region reported 38,522 deaths, nearly twice the number for North America. Indonesia leads the region in the total number of cases, with over 4 million to date, with the Philippines second at over 2 million. The COVID surge has been particularly acute in Malaysia, with 1.5 million cases in a population of 35 million, while the numbers in Thailand have climbed to nearly 1 million total, a stark contrast to cases at this time last year of only 100. From February 2020 to April 2021, Vietnam recorded 4,000 COVID cases; from April to mid-August of this year, case totals were over 380,000.

Singapore cases remain relatively controlled, at 68,000, in part because most infections are among migrant workers who are cantoned in government–run dormitories. They are below...
Cambodia, which has recorded roughly 87,000 cases to date. Laos, with a population of 7 million, has had more than 11,000 cases. Brunei and Timor-Leste were COVID-free in 2020 but are now accruing cases. Government reporting of cases in Myanmar is spotty and frequently questioned, but the total number is estimated at over 434,000.

Overall, vaccination rates in Southeast Asia are below the global average of 28% but are picking up and vary widely across the region. By mid-August Singapore led with 68% of the population receiving at least one dose, followed by Cambodia (40.77%); Thailand (35%); Indonesia (30.93%); Malaysia (29.4%); Laos (16.67%); Brunei (16.32%); the Philippines (10.98%); and Vietnam (7%). However, Vietnam accelerated its program rapidly and doubled the vaccination rate to approximately 14%. Public vaccinations are believed to have been halted in Myanmar with the February coup, and the World Health Organization estimates that less than 1% of the population has received at least one dose of COVID vaccine.

As Southeast Asian governments seek to procure COVID vaccines, preference for Western over Chinese vaccines is growing. The more contagious Delta variant; clinical data comparing efficacy of the vaccines; and vaccine donations from the Quad, as well as bilateral donations from the US have all contributed to this shift. Malaysia announced that it will not use the Chinese Sinovac vaccine when current supplies of it run out; the Thai government recommends that people who have received Sinovac also be inoculated with the Pfizer vaccine; and Vietnam, which has seen a nationalist backlash against Chinese vaccines, uses its small store of Sinovac for limited purposes.

Pandemic Economics

Initial estimates for Southeast Asian economic growth in 2021 were an optimistic 6% for the region. By April, when the Delta variant surged, that figure was revised downward to 4%. It has sunk further in many countries, averaging 2% in some but underwater in others. Economic recovery from COVID faces multiple challenges beyond the need to accelerate vaccinations. The virus has shaken the confidence of foreign investors in the region and created concern about supply chain resilience. In Vietnam, for example, it has forced some factory closures. Moreover, recovery will be uneven across the region, favoring economies with a strong manufacturing base, such as Vietnam and Malaysia, over those more dependent on the Thailand. COVID has caused poverty levels to rise, and growing debt will hamper domestic spending as well as domestic investment. These obstacles are offset in part by growing external demand for Southeast Asian manufactures from the United States, China, Japan, and South Korea and, particularly for Indonesia, the rise in commodity prices.

The US business sector has pressed the administration to engage more deeply with Southeast Asia on economic recovery from the pandemic. In Singapore, Vice President Harris announced the formation of a US–Singapore roundtable on supply chain shortages, intended to strengthen coordination between the two countries on trade flows. The initiative underscores the administration’s formal review of supply chains in four critical sectors, including semiconductors. Although the roundtable is bilateral, the model could be applied to other US trading partners in Southeast Asia. US companies are also pushing the administration to negotiate digital trade agreements within ASEAN, first bilaterally but with the goal of linking them together in a regional agreement. Southeast Asia has the world’s fastest-growing internet use, and the COVID pandemic has forced many businesses to transfer their work online.

Political Fall-Out: Malaysia and Thailand

The COVID pandemic has strained political as well as economic systems in Southeast Asia as governments come under increasing public criticism for their performance in taming the pandemic. In some countries, COVID emergency measures have given leaders greater powers, which have been used for political purposes. In Thailand, COVID regulations have enabled the government of Prime Minister Prayuth Chan-ocha to strengthen its surveillance and control of the political opposition; this in turn has reenergized the youth-based protest movement. This summer, however, the dramatic surge of the Delta variant refocused the protests from the administration’s authoritarian measures to its handling of the COVID crisis, an issue with broader public appeal. By summer’s end, Prayuth was facing his third no-confidence vote in Parliament since his inauguration in 2019. On Sept. 4, the censure motion against Prayuth and five of his ministers failed, although the prime
Sabri is vice chair of the United Malays National Organization (UMNO), Malaysia’s dominant party for six decades until it was voted out in 2018. There is little reason to believe that Sabri’s coalition will be more stable than the previous one, and the new prime minister faces additional challenges. With the shadow of the 1MDB scandal still hanging over UMNO, he will have to demonstrate that the party is more willing to police corruption. As well, Sabri will encounter issues within his own party. He will likely spar with UMNO’s president, Ahmad Zahi Hamadi, in an effort to gain the party chair as well as the prime ministership. Zahi is himself facing corruption charges, which he denies.

Neither political situation is likely to affect the course of US relations with Thailand or Malaysia. Relations between Washington and Prayuth have been cool since the 2014 coup brought him to power. However, the immediate bilateral focus is on fighting the pandemic, although Washington continues to express concern for the government’s treatment of protestors. The transition in Malaysia is the political equivalent of musical chairs, although the return of UMNO is a significant factor. If Sabir fails to hold his own party to account for corruption, it could strain tensions between Washington and Kuala Lumpur. The US Department of Justice has helped Malaysia recover assets in the United States that were siphoned off in the 1MDB scandal; in May, the US returned another $460 million in recovered funds.

Myanmar: Arming the Opposition

Although data on COVID in Myanmar is sparse and unreliable for the most part, the pandemic has clearly surged. The junta has weaponized the virus against the civil resistance: reserving vaccines for military use; continuing to arrest and detain doctors and other health workers; and occasionally firing on civilians lined up to receive oxygen for COVID treatment. Although the pandemic is pushing Myanmar further into its downward spiral, the deeper dysfunction in public and commercial services brought on by the Feb. 1 coup is equally, if not more, damaging. At this point, the economy is on track for an 18% contraction in 2021.

With no apparent end in sight, the opposition’s new military arm, the People’s Defense Force (PDF) has ramped up operations in several provinces. In August the PDF killed nearly 100 Tatmadaw soldiers in three different locations, primarily through road mines. Its strength is its organization—or lack of—as a grassroots franchise with multiple actors. Another plus is the PDF’s choice of attacks, usually in areas in which there are no ongoing armed conflicts and therefore a weaker concentration of government troops. The PDF’s early gains have re–energized the armed ethnic groups, and fighting in the more traditional conflict zones in Kachin, Shan, and Karen state has increased. It also conducts smaller insurgencies in urban areas. This month seven bombs were set off in Yangon, and there have been several hit-and-run attacks on individual soldiers. While it attempts to respond to this new challenge, the government has strengthened ties with both China and Russia: for arms, economic aid, and political support.

The PDF has little hope of winning a military victory against the Tatmadaw, which now stands as Southeast Asia’s largest armed forces. However, the gains of insurgency are primarily psychological, and the National Unity Government (NUG) hopes to maintain high levels of civil resistance with small victories. However, the NUG itself lacks impact as a shadow government, in part because of internal divisions. The most significant rift in the NUG is between the National League for Democracy (NLD) and more progressive groups. With top NLD leaders still in detention—and likely to be
sidelined eventually with convictions in the regime’s kangaroo courts—disorganization within the opposition will endure.

With support from the United Nations and most major powers, ASEAN continues to press its five-point consensus plan for Myanmar, but with scant success. Calls to end the violence go unheeded by both sides; on the contrary, the opposition’s PDF have realized some gains in its urban insurgency. Neither side appears interested at this point in negotiations. The single achievement of the plan to date is the selection of a Special Envoy for Myanmar, after months of internal wrangling. The foreign ministers agreed upon Brunei’s second minister for foreign affairs, Erywan Yusof, as special envoy. This was a default choice after neither Jakarta nor Bangkok could sell the group on their nominations. It is not clear if Erywan’s tenure as Special Envoy will expire when Brunei hands the ASEAN chair to Cambodia at the end of the year. In the meantime, he will likely see little progress in ameliorating the conflict in Myanmar. However, as the situation continues to deteriorate, ASEAN will be useful in funneling humanitarian aid to the country through a mechanism established in the five-point plan.

The United States has continued to strengthen sanctions against the coup leaders and the State Administrative Council, as well as their family members. In July, the Department of Commerce also added two Chinese companies with strong economic ties to the Tatmadaw to the Entity List. Washington continues to eschew broad sanctions that would inflict additional economic pain on a population being pushed further into poverty by political violence and the pandemic. However, there is no appetite in the US policy community for support of the PDF insurgency. Indeed, although the administration has repeatedly condemned the Feb. 1 coup and its aftermath, doubts about the willingness of the National League for Democracy to address issues such as protection for Muslim Rohingya remain.

Looking Ahead

The Biden administration established a new baseline in relations with Southeast Asia through its diplomatic campaign over the summer, and this will give Washington greater traction for several fall events. In September, President Biden intends to convene an in-person summit of the Quad; Southeast Asian leaders will watch carefully for signs of an emerging anti-China bloc. Additionally, the administration intends to fulfill a campaign promise and host a Summit for Democracy in December, and the choice of invitations to Southeast Asian leaders will inevitably be controversial. The COVID pandemic will continue to restrict diplomatic activity, and it is not clear whether there will be an in-person East Asia Summit. If there is, Southeast Asia will expect President Biden and Secretary Blinken to appear. And, if the United States is, as the administration insists, back in Southeast Asia, the region will expect Washington to move beyond diplomatic visits and articulate more solid policies, particularly on trade and US relations with ASEAN as an institution.
May 5, 2021: United States and ASEAN hold the 34th annual US-ASEAN Dialogue online. Acting Assistant Secretary for East Asian and Pacific Affairs Ambassador Atul Keshap co-chair with Lao PDR Deputy Foreign Minister Bounleua Phandanouvong. Keshap raises climate change, among other issues. He stresses support for countries most vulnerable to climate change and the need for a shared effort to reach net zero emissions by 2050.

May 17, 2021: US announces new sanctions against Myanmar’s military regime. The regime itself is designated through sanctions on the State Administrative Council. Also, four members of the SAC are named, along with nine military-appointed Cabinet members and three adult children of previously designated officials.

May 18, 2021: US launches 2021 Joint Response Plan for the Rohingya Humanitarian Crisis and announces $155 million in new assistance to sustain critical efforts to support Rohingya refugees and host communities in Bangladesh, as well as internally displaced Rohingya in Myanmar.

May 21, 2021: Senior delegations representing the US and Thailand meet virtually for 7th US-Thailand Strategic Dialogue. The Dialogue is co-called by Principal Deputy Assistant Secretary of State for East Asian and Pacific Affairs Keshal and Permanent Secretary of the Ministry of Foreign Affairs Thani Thongphakdi. Both sides reiterate their commitment to the US-Thailand alliance and discuss deepening cooperation across a spectrum of issues, including technology and climate change.

May 25, 2021: Secretary of State Antony Blinken attempts to host a virtual US-ASEAN ministerial meeting while in transit to Tel Aviv in Shannon Airport but technical issues block a connection.

May 30–June 4, 2021: Deputy Secretary of State Wendy Sherman visits Indonesia, Cambodia, and Thailand. In Jakarta, she affirms US support for ASEAN centrality. In Phnom Penh, Sherman meets with Prime Minister Hun Sen and urges Cambodia’s leadership to maintain an independent and balanced foreign policy. She expresses serious concerns about China’s military presence and construction of facilities at Ream Naval Base and seeks clarification on the demolition of two US-funded buildings at Ream. In Thailand, she discusses a range of bilateral and regional issues, including the crisis in Myanmar.

June 8, 2021: Biden administration releases report of its 90-day review of supply chain disruptions caused by the COVID pandemic and announces formation of the Supply Chain Disruptions Task Force to address short-term discontinuities. The review focused on four critical sectors, including the semiconductor supply chain, which is of increasing importance in US investment in Southeast Asia.

June 20, 2021: In a joint statement, US Treasury Secretary Janet Yellen and Nguyen Thi Hong, governor of the State Bank of Vietnam, announce that the two countries have reached an agreement over US charges of currency manipulation. Vietnam pledges that it will refrain from “competitive devaluation” of the dong in order to gain export advantage.

July 1, 2021: State Department releases the 2021 Trafficking in Persons Report. Thailand is downgraded from Tier 2 to the Tier 2 Watch List, while Malaysia is downgraded to Tier 3. Myanmar remains in Tier 3.
July 2, 2021: In response to the deteriorating situation in Myanmar, the US Department of the Treasury’s Office of Assets Control designates 22 individuals connected to the military regime for sanctions. These include two additional State Administrative Council members; four military-appointed Cabinet members; and 15 adult children or spouses of previously designated officials. In addition, the Department of Commerce adds the Chinese company Wanboa Mining, Ltd., and two of its subsidiaries, as well as King Royal Technologies to its Entity List.

July 13, 2021: Secretary Blinken participates in a virtual Special US–ASEAN Foreign Ministers Meeting. They pledge to continue strengthening the ASEAN–US Strategic Partnership, and Blinken praises the ASEAN five-point consensus plan on Myanmar, urging ASEAN to take immediate action to implement the plan.

July 26–30, 2021: Secretary of Defense Lloyd Austin visits Singapore, Vietnam, and the Philippines, making him the first Cabinet member of the Biden administration to visit Southeast Asia. In a keynote speech in Singapore and in meetings in Vietnam and the Philippines he calls out aggressive Chinese behavior in the South China Sea and stresses the importance of keeping the wider region free and open.

July 30, 2021: Philippines Defense Secretary Delfin Lorenzana announces that President Rodrigo Duterte has agreed to the news of the new Visiting Forces Agreement with the United States, abandoning a plan to terminate the pact. Lorenzana says that Duterte made the decision after meeting with US Defense Secretary Lloyd Austin during his visit to Manila.

Aug. 1, 2021: State Administrative Council of Myanmar declares itself a “caretaker government” and appoints junta leader and Tatmadaw Commander-in-Chief Min Aung Hlaing as prime minister. Min Aung Hlaing walks back the regime’s promise after the Feb. 1 coup to hold elections in 2022 and says it is more likely that new elections will be held in 2023.

Aug. 2, 2021: Secretary Blinken co-hosts second US–Mekong Partnership ministerial meeting, which is held online.

Aug. 3, 2021: Secretary Blinken conducts a virtual US–ASEAN Foreign Ministers Meeting. He highlighted ASEAN centrality, US cooperation with ASEAN to quell the COVID-19 pandemic and its economic impact; the need for bold action on climate change; and the urgency of the situation in Myanmar.

Aug. 3, 2021: Indonesian Foreign Minister Retno Marsudi visits Washington and meets Secretary Blinken to open the first US–Indonesia Strategic Dialogue since the establishment of the bilateral strategic partnership in 2015. The leaders discussed the COVID-19 pandemic; maritime security; and the peaceful resolution of ongoing conflicts in the Middle East.

Aug. 4, 2021: ASEAN announces that it has chosen Brunei’s second minister for foreign affairs, Erywan Yusof, as special envoy to Myanmar. The special envoy position is one of five points in a consensus plan ASEAN developed following the Feb. 1 coup to help stop political violence in Myanmar and encourage the parties to resolve the conflict peacefully.


Aug. 6, 2021: Secretary Blinken participates in the online ASEAN Regional Forum hosted by Brunei as ASEAN chair and including representatives from 26 countries. He calls upon China to abide by its obligations under the international law of the sea and cease provocative behavior in the South China Sea.

Aug. **16, 2021**: Malaysian Prime Minister Muhyiddin Yassin and his Cabinet resign after Muhyiddin acknowledges that his administration no longer commands a majority in Parliament. King Al-Sultan Abdullah appoints Muhyiddin as caretaker prime minister and polls Parliament on legislative support for a new appointment PM.

Aug. **21, 2021**: Ismail Sabri Yaakob is sworn in as prime minister of Malaysia after King Abdullah announces his selection. Sabri is vice chair of the United Malays National Organization (UMNO). The king specifies that Parliament must hold a confidence vote on Sabri’s selection, although he does not specify a date.

Aug. **22–26, 2021**: Kamala Harris visits Singapore and Vietnam on her second international trip in her capacity as vice president. In Singapore she delivers a speech on the Biden administration’s commitment to the Indo-Pacific region; addresses US sailors aboard the USS Tulsa visiting Changi Naval Base; and announces bilateral initiatives on climate change and supply chain support. In Vietnam, she focused on the pandemic and Chinese aggression in the South China Sea.
China’s recognition of the strategic challenge posed by close Biden administration relations with the Quadrilateral Security Dialogue (Quad) powers Australia, India, and Japan reinforced Beijing’s strong efforts to preserve and expand its advantageous position in Southeast Asia in the face of rising competition with the United States. Beijing used uniformly critical coverage of US withdrawal from Afghanistan to highlight US unreliability, and attempted to discredit Vice President Kamala Harris’ Aug. 22–26 visit to the region, the highpoint of Biden government engagement with Southeast Asia. It also widely publicized evidence of China’s influence in the competition with the United States in Southeast Asia, even among governments long wary of China, like Vietnam. That effort underlined the lengths Vietnam would go to avoid offending China in reporting that Hanoi allowed the Chinese ambassador to publicly meet the Vietnamese prime minister and donate vaccines, upstaging Vice President Harris, who hours later began her visit and offered vaccines.
Reinforcing China’s Influence; Parrying US Initiatives

President Xi Jinping’s speeches and interchange with Southeast Asian counterparts supported the efforts of Foreign Minister Wang Yi. After visiting nine of the 10 ASEAN countries since October and hosting four Southeast Asian foreign ministers visiting China, Wang resumed in-person China-ASEAN foreign minister meetings with two days of meetings in China on June 7 and 8. The conclave included several one-on-one meetings between Wang and individual Southeast Asian foreign ministers, with a focus on ASEAN’s role in Myanmar. Indonesian Foreign Minister Retno Marsudi said at the meeting that ASEAN would appreciate China’s assistance in helping it enforce the five-point consensus reached by the Southeast Asian bloc to resolve the crisis in Myanmar.

Beijing commentary echoed foreign assessments highlighting China’s growing influence in Southeast Asia and ASEAN over the past decade as US regional influence declined. The Biden government was seen as inattentive and out of step with regional concerns, and disruptive with its shows of military power in the disputed South China Sea. US unreliability was emphasized following the rapid Taliban conquest of and chaotic US withdrawal from Afghanistan in August. China is the region’s leading trading partner, with ASEAN now ranked as China’s top trader; trade was valued at $410 billion for the first half of 2021, a 38% increase over 2020. China’s investment and infrastructure financing in the region grew impressively over the preceding decade. Beijing worked hard to sustain production chains with China at the center, underscoring to the region that China was its engine of economic growth. China was the leading source of medical supplies and vaccines for Southeast Asian countries during the pandemic. It was the most important country managing water flow and development along the Mekong River. By keeping on good terms with both the Myanmar junta and ASEAN, Beijing was in a much more influential position than the United States to deal with the crisis. China’s military, coast guard, and maritime militia controlled and defended China’s claim to most of the South China Sea against comparatively weak Southeast Asian claimants, with ASEAN loathe to object and most Southeast Asian states publicly silent in the face of Chinese expansionism.

Building on these strengths, China’s Belt and Road Initiative (BRI) international conference this year focused on the Asia-Pacific, with Xi Jinping on June 23 pledging “high standard and sustainable development.” Wang Yi presided over the conference and Chinese commentary took aim at the US-backed Build Back Better World Initiative, arguing that China’s BRI meets “practical needs” while the US seeks “geopolitical advantage.” Xi told the APEC Informal Economic Leaders’ Retreat on July 16 that China had supplied 500 million doses of vaccine to developing countries and would supply another $3 billion in aid over the next three years to COVID-19 response and recovery in developing countries. Chinese commentary linked ASEAN’s economic growth with the Regional Comprehensive Economic Partnership (RCEP) and China’s impressive growth amid the pandemic serving as a driver of regional development. China’s 2020 trade with the 14 other RCEP members was valued at $1.58 trillion, 31% of China’s foreign trade.

Beijing’s negative commentary about US policy in Southeast Asia focused as usual on negative reactions to US freedom of navigation operations in the disputed South China Sea. Secretary of State Antony Blinken’s statement reiterating US support for the ruling of the UN Law of the Sea tribunal against China’s South China Sea claims on its fifth anniversary July 12 prompted a sharp rebuke from China’s foreign ministry spokesman and related media. The Chinese representative at the UN Security Council meeting on maritime security on Aug. 9 countered Blinken’s criticism of China’s behavior in the South China Sea by charging that the United States was “the biggest threat to peace and stability in the South China Sea.”
Chinese official commentary followed closely and responded negatively to the notable increase in senior-level US visits and interaction with Southeast Asian governments. Those began in late July with Defense Secretary Lloyd Austin’s visits to Singapore, the Philippines, and Vietnam in late July; included Blinken’s back-to-back meetings in the first week of August with Southeast Asian counterparts during the annual foreign minister gatherings of ASEAN and regional officials including the ASEAN Regional Forum; and concluded with Vice President Kamala Harris’ visits to Singapore and Vietnam. Beijing accused the Biden government of pressing Southeast nations to side with the United States against China, disrupting what China saw as stability in the South China Sea managed by China and ASEAN countries. It charged the US with creating cliques with Asian and NATO partners to thwart China’s rise, and was trying to complicate and challenge China’s BRI with competing infrastructure, including digital networks.

Meeting with ASEAN counterparts on Aug. 3, Wang Yi urged vigilance against outside powers interference in the South China Sea disputes and called for an agreement on the China-ASEAN Code of Conduct at “an early date.” Meeting with ASEAN counterparts and those from South Korea and Japan that day, Wang stressed greater cooperation through the ASEAN+3 framework and the RECP agreement. Wang laid out four principles for handling the South China Sea disputes during the East Asia Summit foreign ministers meeting on Aug. 4, warning of the “malicious” intentions of non-regional forces in the disputes.

**Vaccine Diplomacy**

Chinese commentary repeatedly criticized the United States for using the provision of COVID-19 vaccines and related assistance to gain international influence. This commentary ignores China’s internationally recognized role as the power first out of the gate to use provision of masks, other protective equipment, plus ventilators and vaccines as sources of foreign policy leverage from the outset of the pandemic in early 2020.

Helping to meet ASEAN needs, China’s ambassador to ASEAN said in early August that more than 100 million Chinese doses were delivered to ASEAN members, amounting to 70% of global vaccine assistance to the region. Wang Yi told the ASEAN+3 foreign ministers meeting on Aug. 4 that China gave 750 million doses of COVID-19 vaccines overseas, and China would provide an additional 110 million doses for international distribution through the World Health Organization backed—COVAX. Wang also repeated Xi Jinping’s earlier pledge of $3 billion in assistance to developing countries for COVID–19 recovery over the next three years. Xi told an international forum on COVID-19 vaccine cooperation on Aug. 5 that China would provide a total of 2 billion doses of COVID-19 vaccines to the world “this year.”

Meanwhile, the United States followed the pledge of the Quad leaders in March to provide 1 billion vaccine doses to ASEAN and the Indo-Pacific with targeted donations to several ASEAN states. Attempting to clarify this complicated and evolving situation, The New York Times noted on Aug. 7 that it was unclear whether Xi’s 2 billion doses pledge would involve new supplies or those already sold. It cited a study showing China had already sold 952 million doses worldwide and had donated 33 million doses. It said the United States had sent 110 million doses abroad and had purchased another 500 million doses of the Pfizer vaccine—worth $3.5 billion—for distribution through COVAX. In July, two Chinese vaccine makers signed an agreement with COVAX to sell a half-billion doses for international distribution. With widespread experience with Chinese vaccines, the most commonly used in Southeast Asia but seen as having less efficacy especially against recent variants of COVID–19, Southeast Asian governments were reported keen to get Western and Russian vaccines to compensate for less effective Chinese doses.
US Allies and South China Sea Disputes

Chinese commentary reacted negatively to wider cooperation by US allies and partners with America to counter Chinese expansion in the South China Sea and along China’s maritime periphery. Great Britain’s carrier strike group passed through the South China Sea in late July, to the disapproval of the Chinese military, in preparation for exercises with the United States, Japan, Australia, and France in the Philippines Sea. A German frigate in early August set sail for Asia with an itinerary involving passage through the South China Sea and a visit to Vietnam. Germany also held its first “2-plus-2” security talks with Japan in April with an agenda that covered the South China Sea. Japan advanced its security relations with the Philippines with the first joint air exercises in July. The two have conducted 17 joint naval drills, and Japan has provided warning radars and patrol ships. On Aug 2, the Indian Defense Ministry said it would soon send a four-warship taskforce to the South China Sea for a deployment that will include exercises with the Quad partners. Chinese officials and commentary in late August criticized the annual Malabar exercise of Australian, Indian, Japanese, and US forces held this year in the Philippines Sea along with other exercises involving the British carrier strike group.

The most notable incident in the South China Sea in this reporting period occurred on May 31 when 16 Chinese military transport aircraft in a tactical formation entered airspace above Malaysia’s exclusive economic zone along the Sarawak coast in the South China Sea. Attempts to get the Chinese planes to contact Malaysia’s air traffic control failed, prompting the Malaysian air force to scramble its warplanes. The Chinese planes changed course in the airspace above Luconia Shoals, an area claimed by China and Malaysia and routinely patrolled by Chinese Coast Guard vessels. On June 1, Malaysia’s Foreign Ministry issued a strongly worded protest. The Chinese said the planes were conducting routine exercises.

The CSIS Asia Maritime Transparency Initiative (AMTI) linked the surprise Chinese flights with Chinese Coast Guard vessels contesting new Malaysian oil and gas development off the coast of Sarawak, signaling Chinese disapproval of Malaysian development activity. This episode was at least the third time since spring that the Chinese Coast Guard has harassed Malaysian energy exploration/development. It demonstrated Beijing’s persistence in challenging its neighbor’s oil and gas activities within its own exclusive economic zone that nonetheless conflicts with China’s broad South China Sea claim. AMTI anticipated such harassment would happen again next year when the Malaysians are expected to take added measures to build a well head to tap energy resources in the Sarawak location.

According to a report in the South China Morning Post, Wu Shicun, president of the National Institute for South China Sea Studies, opined that negotiations between China and ASEAN on the code of conduct may be stalling and face growing uncertainty—possibly leading to a “stalemate”—due to growing wariness among Southeast Asian claimant states over China’s assertiveness in the maritime dispute. Chinese and ASEAN officials met in June and agreed to restart negotiations and acknowledged that working groups had exchanged views on the latest draft text in virtual meetings in early July, the first such meeting since October 2019.

Singapore as a Test Bed for Southeast Asia’s Position Amid US–China Tension

Vice President Harris’ first stop in her maiden Southeast Asian tour was in Singapore, where she met key leaders and sent a strong message of US commitment to Singapore and the region more broadly. In public speeches, Harris highlighted expanding regional cooperation on the pandemic, the climate crisis, building a more resilient supply chain network, and security partnerships. She also called out China’s coercive behavior, charging China as a bully in regional security.

While Singapore is keen to see a firmer US commitment to the region, it was also wary of the growing great power competition. As Singapore Prime Minister Lee Hsien Loong articulated in remarks at the virtual Aspen Security Forum in August 2021, “in this situation [US–China competition], I would say to both: Pause, think carefully before you fast forward. It is very dangerous.” Given the uncertainty, Singapore Foreign Minister Vivian Balakrishnan also discussed bluntly that “it is imperative, for Singapore, or for any other countries for that matter, to want to be able to choose for ourselves, instead of being forced into making decisions by other people.” In welcoming US re–engagement with the region as well as China’s advances in Southeast Asia, Singapore’s carefully calibrated
foreign policy reflects its priority for pragmatic engagement with both sides to maintain its strategic relevance and autonomy. The extent to which this position resonates with the rest of Southeast Asia remains to be seen.

Philippines–China–US Relations

The US-backed Philippines protests and security-forces deployments in March and April targeting Chinese Maritime Militia in Whitsun Reef and the Union Banks area of the South China–claimed by China and the Philippines—did not reduce the presence of Chinese fishing boats and Maritime Militia in disputed waters according to Philippine reports in May. Nonetheless, AMTI showed a vigorous expansion of so-called sovereignty patrols by Philippines military and law enforcement vessels challenging Chinese fishing boats, Maritime Militia, and Coast Guard in various sensitive areas, including near Second Thomas Shoal and Scarborough Shoal.

Chinese commentary reacted with equanimity to Secretary Austin’s visit in July and the restoration of the Visiting Forces Agreement and promises to build more active US–Philippines military cooperation. The commentary suggesting a division between the Philippines military, which favored closer US ties, and President Rodrigo Duterte, who did not. It argued that the Philippines government would keep a balance in dealing with the United States and China. Chinese commentary reported that Duterte’s final State of the Nation address on July 26 featured thanks to China for being the first country to help the Philippines with vaccines to fight the COVID–19 pandemic.

In his weekly televised address in early August, Duterte said that he agreed to end his opposition to the US Visiting Forces Agreement because of US vaccine donations. In July the Philippines received 3.2 million doses of the Johnson & Johnson vaccine donated by the United States through COVAX and in August Duterte welcomed 3 million doses of the Moderna vaccine again donated by the US through COVAX. At this time, the Philippines had received 34 million doses, most of which were from China. In highlighting the US donations and ending his opposition to the Visiting Forces Agreement in his weekly address, the mercurial Philippines president, after thanking Biden for the vaccine donations, said, “Don’t forget us because we share the same outlook in geopolitics, especially in Southeast Asia.”

Outlook

A number of developments in the coming months would bring further clarity to regional dynamics. For instance, the crisis in Myanmar will continue to test the Southeast Asian bloc’s resolve and China’s role. Whether ASEAN officials and their Chinese counterparts can make progress in negotiating the next steps of the draft for the code of conduct on the South China Sea remains to be seen. The 38th and 39th ASEAN Summits and related high-profile meetings that are scheduled for the end of October will shape the analysis in the next reporting period on China–Southeast Asia relations.
May 4, 2021: China’s UN Ambassador Zhang Jun urges diplomatic channels to resolve the confrontation in Myanmar, warning that further violence could lead to civil war. Zhang backs ASEAN’s efforts to mediate the crisis but indicates that China would not support sanctions.

May 9, 2021: China and Indonesia conduct a joint naval exercise off the coast of Jakarta. The exercise is aimed to deepen military-to-military cooperation and to repair bilateral ties following a tense standoff between the two countries 16 months ago when Indonesian President Joko Widodo deployed warships to the Natuna Islands in a dispute with China over fishing rights in areas claimed by Indonesia.

May 21, 2021: Chinese Premier Li Keqiang and Malaysian Prime Minister Muhyiddin Yassin hold a virtual conference to discuss bilateral cooperation on the pandemic, digital economy, agriculture, and food security, and building a resilient supply chain.

May 22, 2021: China and the Philippines hold talks on the South China Sea under a bilateral consultation mechanism set up in 2016 to address tensions in the maritime dispute. Senior officials from both sides confirm that the talks are “friendly and candid.” The discussion is convened just days after Philippines Foreign Minister Teodoro Locsin shared his frustration and ordered Chinese fishing boats out of the disputed areas in his personal Twitter account that was laced with expletives.

May 31, 2021: Royal Malaysian Air Force confirms reports that 16 Chinese People’s Liberation Army Air Force (PLAAF) aircraft flying in formation are detected by radar near the Malaysian coast of Sarawak, an incursion in its air space.

June 2, 2021: Cambodian Defense Minister Tea Banh announces that China will help expand and modernize Ream port, Cambodia’s largest naval base. The minister explains that development of the port facilities will provide a new base for ship repairs and docking; beyond upgrading the port, China will not be given access to the facility.

June 7-8, 2021: Chinese Foreign Minister Wang Yi meets with his 10 counterparts from ASEAN in Chongqing for the Special ASEAN–China Foreign Ministers’ Meeting to discuss regional issues, including the situation in Myanmar. Indonesian foreign minister Retno Marsudi says that ASEAN will appreciate China’s support to ASEAN to implement the five-point consensus to resolve the Myanmar crisis.

June 14, 2021: Philippine Foreign Affairs Secretary Locsin announces that Manila will further delay its decision to suspend the Visiting Forces Agreement with the US, citing tension in disputed waters in the South China Sea between the Philippines and China.

June 23, 2021: China convenes a virtual conference on the Belt and Road Initiative with representatives from more than 30 countries and regional and international organizations in attendance. The focus of the conference is on supporting a sustainable recovery from the global pandemic.

June 24, 2021: A Financial Times report finds that trade and diplomatic relations between China and Myanmar are resuming since the military coup in Myanmar in February. According to China’s customs data, imports from Myanmar for the first five months in 2021 were $3.38 billion, a 40% increase from 2020.

July 14, 2021: Manila accuses Chinese fishing boats and trawlers of dumping raw sewage on coral reefs in the South China Sea. Using satellite data and imagery, there are signs of sewage from the anchored ships in the Spratlys damaging the coral reefs.
July 16, 2021: Chinese President Xi Jinping’s remarks at the APEC Informal Economic Leaders’ Retreat highlight China’s vaccine diplomacy and contributions to the Global South, as well as China’s commitment to strengthening regional and global trade and economic recovery through such trade initiatives as RCEP.

July 18, 2021: A report in the South China Morning Post notes that regional concerns over China’s assertiveness mean rival claimants are becoming less willing to negotiate the code of conduct on activities in the South China Sea. Wu Shicun, president of China’s National Institute for South China Sea Studies, observes: “The rise in China’s hard power in the South China Sea has not led to a parallel rise in soft power. Also there is still this unease and hostility from littoral countries towards China’s rise, so they’re still apprehensive about whether China is seeking regional rule-making dominance through the code of conduct negotiations.”

July 28, 2021: Chinese Foreign Minister Wang Yi attends a virtual symposium marking three decades of ASEAN–China dialogue. In remarks, Wang says that ASEAN remains a priority for China's diplomacy in the region and that his country would support ASEAN centrality in regional cooperation.

July 30, 2021: Philippines President Duterte announces decision to restore the Visiting Forces Agreement with the US. The agreement would continue to allow the rotation of thousands of US troops in and out of the Philippines for military exercises. The decision is announced during US Secretary of Defense Lloyd Austin’s visit to Manila.

Aug. 2–6, 2021: Brunei hosts a number of ASEAN–related meetings. They include the ASEAN Foreign Ministers’ Meeting, East Asia Summit, and the ASEAN Regional Forum. Chinese Foreign Minister Wang Yi participates in high-level discussions with regional counterparts, focusing on the post-pandemic recovery, regional trade and economic integration, and regional security.

Aug. 11, 2021: China and Myanmar announce that they will continue to deepen bilateral economic relations. China announces that it will transfer over $6 million to Myanmar to support nearly two dozen development projects in the country under the Mekong–Lancang Cooperation framework.

Aug. 21, 2021: Chinese Minister of Commerce Wang Wentao and Singapore’s Minister for Trade and Industry Gan Kim Yong meet virtually to convene the 6th Investment Promotion Committee. The two sides pledge to strengthen bilateral economic relations and agree to cooperate in digital trade and the green economy.

Aug. 25, 2021: China’s People’s Liberation Army (PLA) Y-20 transport plane arrives in Vietnam to deliver 200,000 doses of COVID-19 vaccines. Vietnam had approved China’s Sinopharm vaccine in early June, the last ASEAN country to do so. Senior officials from both sides cite the delivery as a sign of strengthening bilateral cooperation. The delivery arrives on the eve of US Vice President Kamala Harris’ visit to Vietnam.

Aug. 26, 2021: Vietnamese Prime Minister Pham Minh Chinh meets Chinese Ambassador to Vietnam Xiong Bo and explains that his country would not enter into a formal alliance with any country. Pham insists that Vietnam would maintain an independent foreign policy that prioritizes self-reliance, multilateralism, and diversification of ties with all countries, including the US and China. Pham’s high-profile meeting with the Chinese envoy is scheduled before he meets Vice President Harris.
Cross–Strait tensions intensified between May and August 2021, despite the superficial calm that generally prevailed after the dramatic confrontations earlier in the year. China again blocked Taiwan’s participation at the World Health Assembly (WHA), and Xi Jinping reaffirmed the Communist Party’s commitment to the peaceful reunification of Taiwan at the Party’s 100th anniversary. Chinese military flights into Taiwan’s Air Defense Identification Zone were almost routine until China launched 28 sorties in a single day to protest the G7 summit’s endorsement of Taiwan’s participation in the WHA. The Biden administration announced its first arms sales to Taiwan. Several countries, most notably Japan and Australia, made their strongest statements ever in support of Taiwan. Lithuania announced it would permit the opening of an unofficial “Taiwanese” representative office. Beijing withdrew its ambassador from Lithuania and told Lithuania to withdraw its ambassador from Beijing. The US dismissed fears that its withdrawal from Afghanistan might portend abandonment of Taiwan. In coming months, Taiwan faces three potential turning points: Taiwan’s opposition Nationalist Party will elect a new chair; a referendum could overturn the opening of Taiwan’s market to US pork; and the US has signaled it will invite Taiwan to President Biden’s democracy summit despite threats of military retaliation by China.

No Taiwan Observers at the World Health Assembly, Again

In late May, for a fifth consecutive year, Taiwan was denied an invitation to the World Health Assembly, the governing body of the World Health Organization (WHO). Taiwan’s success in tackling the global COVID-19 pandemic made its absence especially striking. G7 foreign ministers, in a communiqué issued after their May 5 meeting in London, urged Taiwan’s “meaningful participation” in the WHA and other WHO meetings. US Secretary of State Antony Blinken issued a statement on May 7, saying there is “no reasonable justification for Taiwan’s continued exclusion” from the WHA. Undaunted, Beijing applied its institutional heft within the WHO and the UN to again deny Taiwan an observer’s seat—continued punishment for the Tsai administration’s unwillingness to accept the one-China principle and the 1992 Consensus. Meanwhile, the US Senate advanced legislation that expressed strong support for Taiwan’s inclusion in the WHA and required the secretary to detail “changes and improvements” in the Department of State’s strategy to secure Taiwan’s observer status.

Xi Promises “China’s Complete Reunification”

On July 1, Xi Jinping gave the keynote speech at the celebration of the 100th anniversary of the Chinese Communist Party. Inevitably, and in familiar terms, he reiterated the party’s commitment to “advance peaceful reunification” with Taiwan as part of its “historic mission” toward “China’s complete reunification.” Xi’s speech did not go beyond the policy parameters of previous statements China has made about Taiwan since Xi’s ascension to party leader in 2012. Although Xi’s announcement of a historic mission appears striking, it is only one of 32 references to “history,” “historic,” or “historical” in the course of the speech.

Taiwan’s Mainland Affairs Council (MAC) responded in equally predictable terms by posting a statement criticizing China’s “historical decision-making errors and persistent harmful actions” and urged Beijing to abandon its military intimidation and talk with Taipei in a spirit of mutual respect.

Military Activities, Chinese and American

China continued to fly repeated, though less than daily, air sorties into Taiwan’s Air Defense Identification Zone (ADIZ), most often Y-8 turboprop planes. Taiwan continued scrambling its air force jets and issuing warnings. This routine was dramatically violated the day after the G7’s June 13 summit statement supporting Taiwan’s participation in the WHA. Twenty-eight Chinese aircraft entered Taiwan’s ADIZ, the largest number in a single day thus far. China’s Taiwan Affairs Office (TAO) said Taiwan’s colluding with foreign governments to seek its formal independence left China no choice but to respond. When US Senators Tammy Duckworth (D-Illinois), Chris Coons (D-Delaware), and Dan Sullivan (R-Alaska) landed in Taiwan aboard a US Air Force transport on June 6, China insisted that foreign planes are not allowed to land in Taiwan without its permission, a claim it repeated in mid-July after a US Air Force transport plane landed again in Taiwan.

Taiwan media reported that the Taiwan and US Coast Guards held their first joint exercise on Aug. 10. Taiwan’s Coast Guard Administration said that the Coast Guard had merely been training with its newly built vessels. Taiwan noted, however, that the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO) had signed a memorandum of understanding (MOU) on March 26 to establish a Coast Guard Working Group, clearly implying that the event, whether training or exercise, fell within cooperation with the US provided for in the MOU. China’s TAO immediately criticized the move: “We firmly oppose any form of official interaction or agreement with sovereign implications between the Taiwan region [of China] and the United States.”

On July 28, Taiwan announced it had signed a contract with the US to purchase...
advanced airborne reconnaissance systems for its F-16 combat aircraft. On Aug. 4, the Biden administration announced its first arms sale to Taiwan—including self-propelled howitzers and precision-guidance kits for artillery shells—with an estimated value of $750 million. The particulars of the two sales are less important than their signal that the administration would continue the US arms sales on which Taiwan relies.

**China Dials Up Incremental Pressure**

Beyond its military activities, China intensified its longstanding efforts to apply other forms of coercive pressure on Taiwan.

China’s tightening political controls on Hong Kong and Macau led to a series of steps effectively ending the presence of unofficial offices in each other’s territory. On May 19, Hong Kong suspended the operation of its office in Taiwan in retaliation for what it claimed was the interference of Taiwan’s Hong Kong office in its internal affairs. Taiwan reduced its presence in Hong Kong to a single official in mid-June and did the same in Macau at the beginning of July as the governments of both special administrative regions refused to extend visas for Taiwan’s staff at their offices. On July 19, Hong Kong’s official broadcaster Radio Television Hong Kong was instructed not to refer to Taiwan as a “country” or to Tsai Ing-wen as its “president.”

Taiwan initiated criminal action against Chinese espionage on two occasions. A retired Taiwan military officer, Lt. Gen. Luo Wen-shan, was sentenced to two years in prison for accepting a bribe from Chinese officials, and it was reported that Taiwan prosecutors were investigating former Vice Defense Minister Chang Che-ping for accepting favors from members of a Chinese spy ring while serving as commander of Taiwan Air Force Combatant Command.

China has also stepped up efforts to pressure Taiwanese residing on the mainland to integrate more fully into Chinese society. Effective Sept. 1, China begins issuing new “smart card” IDs to Taiwanese living on the mainland, which will facilitate access to house and school placement. The Beijing city government announced that Taiwanese working there could participate in the city’s pension plan provided they held the new IDs. Taiwan’s MAC responded by calling this a political ploy and “united front through equal treatment.”

On May 26, President Tsai told a meeting of her Democratic Progressive Party (DPP) that China had tried to block Taiwan’s efforts to gain access to Pfizer BioNTech vaccines produced in Germany. China in turn questioned why Taiwan was preventing its citizens from receiving Chinese vaccines, which it noted had been approved by the WHO.

Other events highlighted that cross-Strait relations are more complex and variegated than they sometimes appear. On July 31, Lee Yang and Wang Chi-lin won the gold medal for Taiwan in the men’s doubles badminton over the favored Chinese competitors. The two accepted their medals as the team from “Chinese Taipei.” Afterward, Lee announced on Facebook that his medal was “dedicated to my country, Taiwan,” and Tsai congratulated the players for “winning our country’s first gold medal in badminton.” Chinese netizens attacked the two Taiwanese competitors, with one even suggesting that the gold medal should be added to China’s tally since Taiwan is, in their view, a part of China.

Taiwan–Hong Kong trade statistics issued in July revealed that China’s ban on pineapple imports from Taiwan imposed in February caused Hong Kong’s imports of Taiwan pineapples to surge 136-fold in March over the previous month, surpassing Japan as the largest importer. China was, despite its ban, the third-largest importer. Unless Hongkongers have suddenly developed an overwhelming appetite for pineapple, one can only surmise that Chinese consumers have once again found a way to circumvent inconvenient regulations.

![Lee Yang and Wang Chi-lin](AFP via SCMP) (Figure 2) Lee Yang and Wang Chi-lin won the gold medal for Taiwan in the men’s doubles badminton over the favored Chinese competitors.
Finally, a survey by US academics of Taiwanese reactions to Hong Kong residents fleeing China’s sanctions against protesters found a mixed picture. A majority support Hongkongers’ political resistance against Beijing and believe Hong Kong migrants could benefit Taiwan economically. Still, a significant number fear that these migrants will increase competition for jobs and prices for already scarce housing and that some migrants may pose a security threat to the island.

An International Chorus Supports Taiwan

In a series of statements, the US and a number of its allies expressed support for Taiwan in the face of destabilizing PRC behavior. In May, President Biden and South Korean President Moon Jae-in affirmed the importance of peace and stability in the Taiwan Strait—the first mention of Taiwan in a US-ROK leaders’ statement. In June, both the G7 communique and the US-EU Summit joint statement called for the “peaceful resolution of cross-Strait issues.” A joint statement by the foreign and defense ministers of Japan and Australia also called for the peaceful resolution of cross-Strait issues, underscoring the level of the concern in the region even without Washington playing a role. Beijing criticized each of these statements, noting that Taiwan constitutes China’s “internal affairs.”

Within Asia, cross-Strait tensions impinge on Japan’s security more than any other country. Still, the direct and pointed language used in Japan’s 2021 defense white paper caught the attention of both Beijing and Taipei: “stabilizing the situation surrounding Taiwan is important for Japan’s security and the stability of the international community. Therefore, it is necessary that we pay close attention to the situation with a sense of crisis more than ever before.” In July, Deputy Prime Minister Aso Taro caused a stir when he told a private gathering that an invasion of Taiwan would affect Japan’s “survival” and that Tokyo would have to defend Taiwan along with the United States. In August, Japan’s ruling Liberal Democratic Party held the inaugural security dialogue with the DPP.

Taiwan announced in late July that it would open a representative office in Lithuania. Beijing immediately protested, viewing the name—the “Taiwanese Representative Office”—as a mark of official relations. Taiwan’s overseas offices use “Taipei” in their title instead of “Taiwan” or “Taiwanese” to avoid signaling recognition of Taiwan sovereignty. Last year, the PRC intimidated Guyana into reversing its plans to host a “Taiwan” office within 24 hours of the public announcement.

Unsuccessful in persuading Lithuania to reverse its decision through diplomatic channels, Beijing on Aug. 10 recalled its ambassador from Vilnius and demanded that Lithuania recall its ambassador in Beijing. Xinhua further threatened “stronger countermeasures.” Lithuanian President Gitanas Nausėda remained defiant, telling the Financial Times on Aug. 15 that his nation is “free to choose which countries or territories it develops economic and cultural relations with.” Beijing reportedly then cut off rail freight to Lithuania, and Global Times called for China-Russia cooperation to punish Vilnius. US Deputy Secretary of State Wendy Sherman spoke with Lithuanian Foreign Minister Gabrilius Landsbergis on Aug. 21, pledging US solidarity with Lithuania against the PRC’s “coercive behavior.”

Beijing could fear Lithuania’s move sets a dangerous precedent, and this may explain its heavy-handedness. Taiwan has offices in only 72 nations; other nations could follow Lithuania in hosting a “Taiwan” office. Most importantly, “Taipei” could be replaced with “Taiwan” in the name of its office in Washington, DC as some US House members call for in the draft Taiwan Diplomatic Review Act.

Taiwan Maintains Its Low-key Response

In response to China’s escalating pressure, President Tsai announced on May 4 that Taiwan
would establish a new department to oversee cybersecurity, and on Aug. 7, it was revealed that Taiwan would ban the use of all Chinese IT products by government agencies. Tsai has continued to insist that Taiwan will adhere to the status quo and not act rashly as she told the Japanese monthly magazine *Literature and Art Spring and Autumn* in an Aug. 10 interview.

Even as Tsai continued her efforts to portray Taiwan as reasoned and responsible, a senior member of Tsai’s DPP, Speaker of Taiwan’s Legislative Yuan You Si-kun, made it clear that he favored more rapid movement toward independence. In a radio interview hosted by former Taiwan President Chen Shui-bian, You said that he had told outgoing AIT Director Brent Christensen that the US should recognize Taiwan as a country if China sends military planes into Taiwan’s airspace. DPP elder Chiou I-jen, in a separate radio interview with former President Chen, countered that Taiwan independence is not something the Taiwanese people can decide themselves because the reactions of the US and China have to be taken into account.

![Figure 4 Taiwan Legislative Yuan You Si-kun. During a radio interview, You made it clear that he favored a rapid movement toward independence. Photo: CNA via Taiwan News](image)

**Taiwan’s Economy Thrives as TIFA Resumes**

Taiwan’s economy, heavily dependent on exports, continued growing at its fastest clip since 2010 thanks to surging global demand for semiconductor chips and IT products manufactured on the island. Taiwan’s exports have grown on average by 30% this year over 2020—itself a banner year. The Taiwan economy remained resilient even as consumer spending slumped in the second quarter—the result of the island’s worst, though relatively quite small, COVID outbreak.

In mid-June, US Trade Representative Katherine Tai agreed with Taiwanese counterpart John Deng to re-open Trade and Investment Framework (TIFA) talks, stalled since 2016. Three weeks later, the two sides convened the eleventh TIFA Council meeting, covering a range of market access issues in seven hours of virtual discussions. The expedited timeline appeared designed to take some wind out of the sails of the pork referendum, then scheduled for late August but subsequently postponed to December. Without much time to prepare, the two sides did not make great progress, but a handful of new TIFA working groups were created to facilitate ongoing and regular communication on a range of functional and sectoral issues. President Tsai already took a dramatic trade action when opening Taiwan’s market more widely to US pork on Jan. 1.

The TIFA breakthrough fills, partially, a noticeable gap in Washington’s otherwise robust and multifaceted relations with Taiwan. President Trump’s Trade Representative Robert Lighthizer had been the chief obstacle to TIFA talks, concerned it could jeopardize the US–China Phase One trade agreement. The Biden administration, on the other hand, has been reluctant to engage in dialogue with the PRC on trade and economic issues during its first seven months in office, focused foremost on bringing the COVID pandemic under control and repairing relations with US allies. Reopening TIFA talks offers another avenue for the US to demonstrate its commitment to Taiwan security and stability.

For Taipei, the resumption of TIFA is a welcome development and better than nothing, but Taiwan wants a comprehensive bilateral trade agreement (BTA) that knits the two economies closer together—an outcome *ad hoc* TIFA discussions cannot achieve. A BTA would also offer strategic value and would encourage other nations to sign FTAs with Taiwan. However, a BTA faces two major challenges. First, President Biden has indicated he does not want to engage in trade negotiations in the foreseeable future, however. As Secretary Blinken said in an address at the University of Maryland in August that “our domestic renewal comes first.”

Second, in Taipei, President Tsai faces a December referendum that could reverse her decision to reopen the Taiwan market to US pork
and could derail the next round of TIFA talks and momentum for BTA discussions. The referendum question, as approved by the Central Election Commission, will ask voters whether they support or oppose the government’s decision on Aug. 28, 2020 to allow the import of US pork products containing ractopamine. In a May poll by the Taiwan Public Opinion Foundation (TPOF), 64% of respondents said they would vote to oppose these imports, up from 61% the previous month. Lacking any polling since the July 1 TIFA talks, it is unclear whether the talks have increased support for the market opening.

US Statements on Taiwan Thread the Needle

Statements by US officials over the past several months have struck two consistent themes. First, the US is committed to supporting Taiwan’s ability to resist Chinese threats, and the US military is capable of deterring and if necessary responding to Chinese military threats in the Western Pacific. Kurt Campbell, coordinator for Indo-Pacific affairs at the National Security Council, called this “a comprehensive set of measures to seek to enhance deterrence, maintain peace and stability across the Taiwan Strait, and enable Taiwan to live in peace.” At the same time, officials have made clear that the US continues to adhere to its one-China Policy and will not move away from “strategic ambiguity” about its response to conflict in the Taiwan Strait, with Campbell insisting that there were significant downsides to “strategic clarity.”

As Congress crafted legislative packages to address long–term US competition with China, Taiwan became a more prominent part of its proposals than ever before. In June, the Senate passed the US Innovation and Competition Act (USICA) that would further embed Taiwan in the US Indo-Pacific strategy. The House is considering its own China competitiveness and deterrence bill, the EAGLE Act. Like USICA, the EAGLE Act subsumes individual pieces of Taiwan–friendly legislation that would, inter alia, appropriate funding for a US–Taiwan civil servant exchange program and require Senate confirmation of the AIT director. These two bills, which will likely be reconciled into one package and voted on this autumn or in early 2022, will likely include an appropriation that is not altogether to Taiwan’s benefit, namely billions of dollars in subsidies for domestic production of semiconductor chips. The Biden administration’s 100-day review of semiconductors, issued in June by the Commerce Department, repeatedly expresses concern over US dependence on Taiwan for advanced chips.

Is Taiwan Another Afghanistan?

The abrupt collapse of the Afghan government, followed by President Ashraf Ghani’s flight from Kabul, and the chaotic scenes of Americans and Afghans desperately struggling for seats on US military evacuation flights from Kabul, has transfixed audiences around the world. For Taiwan and China, these scenes recall the US rapprochement with Beijing as it sought to exit Vietnam in the 1970s, a series of moves that led to US “de–recognition” of the Republic of China on Taiwan in 1979.

While Chinese officials were generally circumspect in public statements, Beijing’s hyper–nationalistic Global Times editorialized that “Some people on the island of Taiwan hype [sic] that the island is different from Afghanistan ... Such a war would mean unthinkable costs for the US ... the so–called special importance of Taiwan is nothing but [the] wishful thinking of the DPP authorities and secessionist forces on the island.”

The US has rejected any parallel between Afghanistan and Taiwan, with a variety of US experts insisting that the US withdrawal from Afghanistan says nothing about how it will respond to Chinese coercion against Taiwan. National Security Advisor Jake Sullivan said that that the US commitment to Taiwan “remains as strong as it’s ever been” and called Taiwan “a fundamentally different question [from Afghanistan].” President Biden in a nationally televised interview dismissed Chinese claims that the withdrawal from Afghanistan proves the US is unreliable and insisted that the US has a sacred commitment to Taiwan comparable to our commitments to NATO, South Korea, and Japan.

Tsai on her Facebook page said that “Taiwan's only option is to make itself stronger, more united, and more determined to protect itself ... It is not our option to do nothing and rely only on the protection of others.” Taiwan values US assistance but recognizes it must take the responsibility to strengthen its defense capabilities.”
Looking Ahead: Three Events Promise Challenges

Two of the three events ahead were originally scheduled for this summer and postponed because of COVID-19. All three will challenge domestic unity and cross-Strait stability.

The opposition Nationalist Party, or Kuomintang (KMT) has rescheduled its Congress, originally scheduled for July, until Sept. 25. The party will elect a new party chairman. The two leading candidates appear to be the incumbent Johnny Chiang, who became chair after the KMT’s defeat in the 2020 presidential election, and Eric Chu, former KMT chair, who oversaw the KMT election campaign in 2016. Both candidates bring considerable positives and negatives to their candidacies. Chiang has successfully initiated four referendum ballots to embarrass President Tsai, but he failed to win party members’ support for his effort to update the KMT’s position on China. Chu, while widely liked, is held responsible for the party’s 2016 electoral defeat, which saw its original candidate collapse so totally that Chu reluctantly ran in her place, only to be defeated by Tsai. Whoever becomes chairman will need to prepare immediately for the referendum campaign and then shift focus to local elections scheduled for the fall of 2022, which will in turn set the stage for presidential elections in 2024. More fundamentally, the KMT will face the difficult challenge of recasting its approach to cross-Strait relations from support for the “1992 Consensus,” widely seen as too pro-China, to a more Taiwan-centric posture without losing its reputation as the party which can reduce cross-Strait tensions.

The second major postponed challenge will come on Dec. 18 when voters will vote in a referendum, originally scheduled for Aug. 28, to decide four issues tabled by the KMT. Although all four will be hotly contested, only one poses an immediate threat to Tsai’s broader agenda: the vote whether to overturn her decision to reopen Taiwan’s market to US pork. The KMT hopes to score political points by advancing an issue more popular with Taiwan’s electorate than its cross-Strait policy. If Tsai’s decision is overturned, which is possible, her effort to seek a bilateral trade agreement and enhance economic cooperation with the US could suffer a major blow.

Finally, on Aug. 11 the White House announced it would host the Summit for Democracy on Dec. 9–10, immediately raising speculation over Tsai’s attendance. During Congressional testimony in March, Secretary of State Blinken implied that Taiwan would be invited but did not give specifics. Soon after the White House’s announcement, the Global Times issued a breathless commentary warning that an invitation to Tsai would cross a “red line” and would justify PLA fighter planes flying over the island. Whether the Biden administration limits Taiwan’s participation to nongovernment representatives, or whether Taiwan political figures and even Tsai herself participate virtually is a critical watchpoint. The Biden administration will have to square its desire to shore up global democracies in the face of authoritarianism—with Taiwan as a shining example—with the requirements of its one-China policy and the imperative of cross-Strait stability.
**CHRONOLOGY OF CHINA-TAIWAN RELATIONS**

**MAY – AUGUST 2021**

**May 19, 2021:** Hong Kong authority suspends operation of its representative office in Taiwan.

**May 24, 2021:** Annual meeting of the World Health Assembly convenes without Taiwan as observer or participant despite widespread public objections by officials of the US and other countries.

**June 9, 2021:** Senators Tammy Duckworth (D-Illinois), Chris Coons (D-Delaware), and Dan Sullivan (R-Alaska), visit Taiwan arriving aboard a US Air Force transport plane.

**June 9, 2021:** Japanese and Australian foreign and defense ministers meet and issue a joint statement expressing concern over Chinese threats against Taiwan.

**June 13, 2021:** G7 summit communiqué calls for support for “peace and stability across the Taiwan Strait” and opposition to “any unilateral attempts to change the status quo and increase tensions.”

**June 14, 2021:** China flies 28 warplanes into Taiwan-controlled airspace, the biggest sortie of its kind since the Taiwanese government began publishing information about incursions last year.

**June 15, 2021:** A statement at the end of the European Union summit with President Biden says that the leaders “underscore the importance of peace and stability across the Taiwan Strait, and encourage the peaceful resolution of cross-Strait issues.”

**June 16, 2021:** Ely Ratner, nominee for assistant secretary of Defense, promises that the US can deter and defeat China. He says that the US will continue to ensure that US defense cooperation with Taiwan is “commensurate with the threat” posed by China.

**June 17, 2021:** Chairman of the Joint Chiefs of Staff Mark Milley downplays any immediate threat of a Chinese invasion of Taiwan in testimony before the Senate Appropriations Committee.

**June 20, 2021:** The US donates 2.5 million doses of the Moderna COVID–19 vaccine to Taiwan, triple its previous pledged amount.

**June 23, 2021:** In its annual white paper, the American Chamber of Commerce in Taiwan praises the Taiwan government for resolving a record number of challenges facing US companies during the past 12 months. Taiwan, AMCHAM says, is becoming a more attractive and easier market for American companies to do business.

**June 30, 2021:** Taiwan–US Trade and Investment Framework Agreement talks convene after five-year hiatus. Both sides express satisfaction while emphasizing the need for more progress.

**July 1, 2021:** During a speech in celebration of the 100th anniversary of the Chinese Communist Party, Party General Secretary Xi Jinping reiterates the party’s commitment to peaceful reunification with Taiwan but also its readiness to use force to oppose Taiwan independence.

**July 2, 2021:** Taiwan’s Central Election Commission announces that referendum balloting, originally scheduled for Aug. 28, will be delayed until Dec. 18 because of COVID concerns.

**July 6, 2021:** Sandra Oudkirk is announced as director of the Taipei Office of the American Institute in Taiwan. Most recently, Oudkirk served as US Senior Official for APEC and Deputy Assistant Secretary for Australia, New Zealand, and the Pacific Islands. She succeeds Brent Christensen.

**July 13, 2021:** Japan issues its defense white paper containing an unprecedented emphasis on Taiwan.
**July 14, 2021:** A US Air Force transport plane lands in Taiwan, reportedly in support of resupply for the American Institute in Taiwan (AIT).

**July 15, 2021:** Carlos Del Toro, President Biden’s nominee to be secretary of the navy, states during confirmation hearings that “It’s incredibly important to defend Taiwan in every way possible.”

**July 16, 2021:** Morris Chang represents Taiwan President Tsai Ing-wen at the annual summit of the Asia Pacific Economic Forum (APEC). He calls for international assistance in acquiring COVID vaccines for Taiwan and warns that “on-shoring semiconductor production will raise costs and slow innovation.

**July 22, 2021:** Annual Investment Climate Statements issued by the Department of State praises Taiwan’s research and development capabilities.

**July 27, 2021:** US Secretary of Defense Lloyd Austin says during a speech in Singapore that China's claims over the Taiwan Strait have no basis in international law, and that the US will enhance its capabilities to deter China, consistent with its commitments under the Taiwan Relations Act and the US one-China policy.

**July 28, 2021:** Taiwan Navy official takes delivery of its second Tuo Chiang-class stealth corvette.

**July 28, 2021:** Taiwan Ministry of National Defense announces it has signed a $340.4 million contract for the MS-110 Multispectral Airborne Reconnaissance System to be deployed on its F-16s.

**July 31, 2021:** Lee Yang and Wang Chi-lin win the Olympic Gold Medal in men’s doubles badminton for Taiwan, competing under the name Chinese Taipei.

**Aug. 4, 2021:** US Department of State notifies Congress of its intention to sell Taiwan four M109 self-propelled howitzers and precision guided munitions kits.

**Aug. 12, 2021:** White House announces that the US will hold a democracy summit on Dec. 9-10, to which Secretary of State Antony Blinken indicated Taiwan would be invited. An editorial in China’s hyper-nationalist Global Times warns that Chinese combat aircraft will fly over Taiwan if President Tsai attends.

**Aug. 26, 2021:** Annual survey by the Chicago Council on Global Affairs reports that “just over half of Americans (52%) favor using US troops to defend if China were to invade the island. This is the highest level ever recorded in the Council’s surveys dating back to 1982, when the question was first asked.”

**Aug. 27, 2021:** Lawmakers from Japan’s ruling Liberal Democratic Party pledge to support Taiwan’s addition to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership during first-of-their-kind security talks with parliamentarians from Taiwan’s ruling Democratic Progressive Party.

**Aug. 27, 2021:** A US Navy destroyer and a US Coast Guard vessel sail through the Taiwan Strait, marking the eighth transit by the US military this year.
Summer 2021 saw a false dawn on the Korean Peninsula, hardly the first, but surely one of the shortest. On July 27 both North and South announced the reconnection of inter-Korean hotlines, severed for over a year. In Seoul, hopes were high—aren’t they always?—that this signaled a fresh willingness by Pyongyang to engage, not only with South Korea but also the US. Yet this “breakthrough” lasted barely a fortnight. When the US and ROK began their regular August military exercises—albeit scaled back and wholly computer-based — North Korea snarled and stopped answering the phone. Inter-Korean relations remain frozen, as they have been ever since early 2019. With Moon Jae-in’s presidency due to end next May, any real melting of the ice looks increasingly like a challenge for his successor.
Moon, and South Korea, Unpicted

The period under review began with a slight from Pyongyang. A slighter slight than some—no threats, no snarling—yet quite Orwellian in its recasting of history, although there might be an innocent explanation.

In May, the DPRK’s Foreign Languages Publishing House (FLPH) published a long lavish photo album (available here; it may be a slow download). Catchily titled Ushering in a New Era of Development in External Relations, its 150 pages chronicle Kim Jong Un’s sudden explosion of summit diplomacy in 2018–19. Page after page shows a genial Kim meeting and greeting: Xi Jinping (five times), Donald Trump (thrice), and the leaders of Singapore, Cuba, Vietnam, and Russia (once each). Spot the absentee. No word nor image of 2018’s three inter–Korean summits with Moon Jae-in. Even for June 2019’s third Kim–Trump meeting at Panmunjom, Moon is out of the picture (although that is pretty much how both leaders treated him—even though he was hosting Trump’s visit to the DMZ).

True, neither Korean state officially regards the other as a foreign country. For both, Korea is a single nation, temporarily divided. (On that basis, some in Seoul prefer to say “intra-Korean” rather than “inter–Korean”). Conceptually and administratively, neither side classifies their relations under external affairs. Even so, a full or accurate account of 2018–19’s summitry can hardly erase the inter–Korean dimension. If the two Koreas were still friends now, as they appeared to be in 2018, a way would surely have been found to include Moon.

This large lacuna aside, a wider point is worth noting. The book’s title is not only clunky, but arguably a hostage to fortune. The dozen meetings it covers all occurred within the space of 15 months. Before that, in his first six years in power (2012–17) Kim Jong Un went nowhere and met no one, at home or abroad. In that sense 2018 was indeed a new era, but a very brief one: in mid–2019 all of this stopped. While COVID–19 is the main factor, even in a pandemic–free world Kim would probably not have kept up that pace. Where would he go? And who else would come visit? Besides, there is always the videoconferencing option. Yet Kim is one of very few world leaders not to have availed of that technology during the past two years. Far from ushering in a whole new era of outreach, it seems that after his brief and dazzling debut in the global spotlight, Kim Jong Un has once again turned inward—much as his late father, Kim Jong Il, did earlier in this century.

Summit Excitement

Returning to inter–Korean relations, the asymmetry is striking. While Pyongyang was coolly writing the South out of the story, for President Moon Jae–in and his colleagues the North remains central. None more so than Minister of Unification (MOU) Lee In–young, whose enthusiasm knows no bounds—including those of reality. For Lee, a resumption of dialogue and diplomacy, though stalled now for two and a half years, is always just around the corner.

Figure 1 Minister of Unification Lee In-young. Photo: Yonhap

The May 21 first summit between Moon and Joe Biden was one such instance. Several times, both before and after the event (see the chronology for details), Minister Lee expressed his belief that this meeting would kickstart talks, both inter–Korean and US–DPRK. By mid–September that had yet to happen. Nor was Lee alone. Another optimist was Moon Chung–in, now head of the Sejong Institute, a leading ROK think tank, and formerly an adviser to Moon Jae–in (no relation). On May 25, Prof. Moon told a US–ROK forum that he expects Pyongyang to contact Seoul to get the lowdown on US policy: “It is very likely that North Korea will come. If … not to the United States directly, maybe it will come to South Korea.” Moon’s analysis is often incisive, as in this recent no–punches op–ed on real and false lessons for the ROK from the fall of Kabul. Yet in expecting Seoul once more to play honest broker between the US and DPRK, the wish is clearly father to the thought. True, that happened in 2018. But in 2021 Washington and Pyongyang no longer need a go–between. Already in 2019 Kim Jong Un told Seoul not to “pose as a meddlesome ‘mediator’ and ‘facilitator.’”
For North Korea, the real lesson of the Biden–Moon summit—which in truth focused more on China—was rather different. One outcome was the ROK’s recovery of missile sovereignty. After four decades in which Washington set caps—gradually relaxed over time—on the range and payload of South Korea’s missiles, Biden ended all such restrictions. This prompted the first and only comment by North Korean media on the summit, 10 days after the event. As Robert Carlin reminds us, Pyongyang’s messaging is always carefully planned in regard to tone, level, and other factors. Thus it is significant that the DPRK government and ruling party chose to make no comment whatever on the Biden–Kim summit. Yet the missile development could hardly go unremarked. Hence on May 31 KCNA rolled out Kim Myong Chol, a veteran pro-North Korean commentator in Japan, who slammed US “double-dealing” while calling Moon “shameful” and “indecent.” That is tame stuff by Pyongyang’s usual standards of insult and menace. While Kim Jong Un is hardly rushing to talk to Biden and is playing games with Moon (see below), the fact that he was not firing off any big rockets (actual or verbal) may suggest he is keeping his options open. In that context, North Korea’s test of new long-range cruise missiles on Sept. 11-12 (note the date) was a warning shot, reminding its foes to take it seriously, rather than a return to unbridled militancy. This underscores the need for renewed diplomacy (despite Pyongyang’s professed insouciance), yet may make it harder.

Kumgang: Resorting to Fantasy

Returning to MOU Lee In-young: By May 31 he had moved on, announcing plans to meet with business leaders who were involved in the Mount Kumgang tourism project. True to his word, the next day (June 1) he met Hyun Jeong-eun, whose title—she chairs the Hyundai Group—may mislead. A tiny rump since the mighty conglomerate founded by her late father-in-law Chung Ju-yung fell apart after his death, Hyundai Group is no longer connected to Hyundai Motor or Hyundai Heavy Industries (HHI), the world’s largest shipbuilder. Hyundai Group’s main business now is elevators, but back in the day its affiliate Hyundai Asan built and ran the Mount Kumgang resort. Its website makes this sound ongoing, but in fact it has been suspended since 2008, and Pyongyang has confiscated Hyundai’s and other assets there worth over $400 million.

Undaunted, Lee declared: "We remain unwavering in our commitment to push ahead with projects like allowing individual tours to Mount Kumgang as soon as the coronavirus situation improves.” For good measure, he hoped separated families could visit other regions such as nearby Wonsan city. He again trumpeted the recent US–ROK summit, and Hyun too professed “great expectations” that this would allow tours to resume—as well as reopening of the Hyundai–built Kaesong Industrial Complex (KIC) in the southwestern DPRK not far north of Seoul, which was abruptly closed by Moon’s predecessor Park Geun-hye in 2016.

Whoa. Hold your horses. One hates to be a foreign killjoy, but this is sheer fantasy—as both Lee and Hyun well know. Pyongyang is often accused of being hard to read, but here Kim Jong Un has spoken plainly—more than once. As readers will recall, in October 2019 Kim visited the now moldering resort site, pronounced it “unpleasant,” and ordered it torn down. Coronavirus stayed his hand, but in a striking repudiation of his father’s vision and legacy, Kim made it crystal clear that he rejected the whole idea of this as an inter-Korean project: any new development would be strictly North Korean. As for the chimera of individual tourism—a hypothetical Moonite wheeze, devised to get around UN sanctions—Kim made his irritation plain in January this year, singling this out specifically as an example of Seoul’s bad habit of raising “inessential issues” rather than focusing on the basics.

Figure 2 North Korean leader Kim Jong Un visited Mount Kumgang, pronounced it “unpleasant,” and ordered it torn down. Photo: STR/KCNA via KNS/AFP via Getty

War Games: Shadow-Boxing?

In June, Minister Lee and others found a fresh cause. Ever since Donald Trump summarily
canceled upcoming regular US–ROK military exercises (not consulting either the Pentagon or Seoul) at his Singapore summit with Kim Jong Un in June 2018, the usual calendar of spring and summer allied drills has been much disrupted. Far from appreciating that olive branch, much less reciprocating, Kim saw this concession as a chance to press harder. Naturally North Korea has never liked US–ROK war games, which used to be awesome: Team Spirit (1974–93) was said to be the largest exercise of its kind in the world.

After several changes of name, these drills have waxed and waned in scale, reflecting the state of relations between the DPRK and its foes. Trump, soon followed by COVID-19, ushered in a new era of canceled or smaller maneuvers. Peace politics apart, since 2020 the pandemic has ruled out shipping in US troops in large numbers. So Kim has less to worry about, but he chose to go for broke, insisting that to hold joint exercises at all, in any form or on any scale, is a hostile act. This has created a new cycle, where every spring and summer the allies must decide what kind of drills, if any, to stage. Besides the security situation and force training needs, two further criteria now enter in: the coronavirus and how Pyongyang will react.

With the next exercises not due till August, Lee In-young started the ball rolling early. On June 6, he called for “maximum flexibility,” insisting that joint drills “should never work in a way that causes or further escalates tensions on the Korean Peninsula.” That was tantamount to calling for their cancellation, which as a minister Lee could not do directly. This kicked off a fresh round of the perennial argument in Seoul about the right balance of stick and carrot, force readiness vs peace process, and so on. Besides playing out in the media, politically more important was the debate inside the ruling Democratic Party (DP), and above all necessarily hidden discussions within Moon Jae-in’s government.

Some of this may be shadow-boxing. Arguably, the Ministry of National Defense (MND) and the military establishment, not to mention Washington, would not countenance complete cancellation (in 2018 Trump forced their hand). Even as public debate continued, planning and preparations were surely underway. Meanwhile, as we now know, at some point and in some form Moon and Kim began exchanging messages about reactivating inter–Korean hotlines, unused for a year after Pyongyang blew up the Kaesong joint liaison office in June 2020. Ever since then, the South has faithfully called as agreed at 0900 each day, but gotten no reply. (Talk of the lines being “cut” misleads: They still work, but the North chooses not to pick up.)

**Lights! Camera! Action! They’re Talking Again!**

The problem is how all these pieces fit together. As with a jigsaw it helps to start with the edges. Our best bet is to begin with what we do know. (The chronology below gives a full, day–by–day account.) On July 27, with much fanfare, the Blue House in Seoul and the official DPRK news agency KCNA in Pyongyang both announced the reconnection of inter–Korean hotlines. As doubtless intended, this created quite a stir. In a triumph of hope over expectation all too familiar in inter–Korean relations (but we never learn), hopes ran high that after a two-year hiatus that Pyongyang might finally be ready to engage again. And not only with Seoul. As elaborated elsewhere in this issue, even after half a year of cautious but clear overtures from Washington, it is still unclear what the DPRK makes of the new—or now not so new—Biden administration. No doubt Kim Jong Un is preoccupied at home, with a tanking economy and keeping COVID–19 at bay. But on this key foreign front, he is certainly taking his time.

![Figure 3 The inter-Korean hotline at Panmunjom. Photo: Yonhap](image)

For a week or two, inter–Korean ties seemed to flicker back into life. Beyond the formality of just checking the lines daily, there were signs of substance. The two sides used the line to compare tallies and positions of Chinese vessels illegally fishing in the West Sea near the Northern Limit Line (NLL), the de facto inter–Korean maritime border, which the DPRK has never formally recognized. Besides sharing notes to repel intruders, such liaisons in sensitive and
sometimes contested waters would help avoid any risk of accidental clashes.

So far so good, but it went no further. An eager Seoul broached concrete proposals—virtual talks, family reunions by videolink—but got no immediate reply. Then Kim Yo Jong weighed in. On Aug. 1, four days after the lines were restored, Kim Jong Un’s sister warned against “premature hasty judgment. What I think is that the restoration of the communication liaison lines should not be taken as anything more than just the physical reconnection.” In particular, the “unpleasant story that joint military exercises between the south Korean army and the US forces could go ahead as scheduled” would surely “becloud” inter-Korean prospects. She closed with a rhetorical flourish: “Hope or despair? Choice is not made by us.”

That could hardly be clearer. Seoul’s response was what we Brits call “faffing”: talk of a “wise and flexible” stance (MOU) or “prudent consultations” (Moon). Such waffling neither fooled nor assuaged Pyongyang. On Aug. 8 Seoul announced that joint drills would go ahead, albeit computer-based with no field exercises. This predictably prompted an angrier second salvo from Ms. Kim, attacking the “perfidious” South for this “unwelcoming act of self-destruction for which a dear price should be paid.” That was on Aug. 10. In the morning the hotlines still worked, but by 5 pm the North was not picking up. Nor has it done so since.

As You Were

What to make of this episode? The Blue House denied insinuations by Yoon Seok-youl—a leading contender for the conservative opposition People Power Party (PPP)’s presidential nomination next year, though his star has fallen since—that a secret deal lay behind the hotlines restoration. If that is true, then it fell apart in record time. The National Intelligence Service (NIS) claims the initiative came from Kim Jong Un. If that is the case, then one hypothesis is that Kim was testing Moon over the joint drills. Perhaps he thought this sop might tip the balance of the debate in Seoul. It did swell the ranks of those in the ruling party who favored cancellation, but not enough. Once it was clear the exercises would go ahead, Kim duly exacted punishment, reverting to noncommunication and the status quo ante.

Reading Moon’s mind is harder. Though an idealist on inter-Korean ties, he is also a canny politician whose time is running out: his successor will be elected on March 9 next year. He may have felt he had little to lose, and we don’t know what was said in the letters he and Kim exchanged. Unclear too is what input, if any, the foreign ministry (MOFA) or even MOU had in any of this. Reportedly, the Blue House handles dealings with Pyongyang itself, no doubt via the NIS. Did Moon reckon Pyongyang would not really mind the joint exercises, despite Kim Yo Jong’s clarity on the issue? Perhaps one day the archives will reveal all.

In any event, Moon swiftly moved on. Days after the hotlines were re-ruptured, he gave a speech to mark Liberation Day (Aug. 15) whose theme seemed to come from an alternate universe. Suggesting that both Koreas would benefit from “institutionalizing peace” on the peninsula, he offered Germany as a precedent for building such a trust-based system. The tin ear whereby successive ROK presidents cite the German case when addressing the DPRK—often in Germany, just to ram the point home, as Moon has previously done—is hard to fathom. In Pyongyang they have watched that movie too—and they remember how it ends.

Figure 4 South Korean President Moon Jae-in celebrates Liberation Day in Seoul Station on Aug. 15, 2021. Photo: Yonhap

Imaginary Trains of Thought

Despite the hotlines debacle, as the peninsula’s humid summer began to turn toward a more temperate fall, the Moon government’s enthusiasm for inter-Korean cooperation remained as fervent as ever—and as divorced from reality. Once more Lee In-young took the lead. On Sept. 2, he addressed Russia’s Eastern Economic Forum in Vladivostok by videolink, the first ROK unification minister ever invited to this high-level gathering. Lee’s bold vision startled his listeners. As reported by Yonhap, he said:
“When dialogue among South Korea, North Korea and the US resumes, and the political situation improves, we plan to strengthen inter-Korean cooperation, including a special tourist zone on the east coast, and to expand this to tourism among South Korea, North Korea and Russia ... This will allow a train departing from Busan in South Korea to pass through North Korea’s Mount Kumgang and Wonsan to reach Vladivostok and Moscow in Russia and even farther to other European countries, while South Korea, North Korea and Russia will also be connected via seaways.”

“We plan?” Even within the works of fiction that MOU annual Work Plans have become since North Korea took its bat home in 2019, nothing like the above appears. Moreover, the obstacles to these envisaged transports of delight are not only political—although those are formidable enough. Physically too, no such route exists. In happier days, the Koreas did indeed reconnect two cross-border railway lines. But while the west coast line is real—in principle, trains could run from Seoul to Pyongyang and on to Beijing—the east coast Donghae line has a large gap on the Southern side. Despite having been symbolically relinked at the border, no track exists south from Jejin near the DMZ down to Gangneung city, a substantial distance of 111 kilometers.

Last year Moon’s government decided to rebuild that stretch, classifying it as an inter-Korean project—not unreasonably, but this means the normal feasibility evaluation can be skipped. It won’t be swift. According to KBS, the work will cost $2.5 billion and take 7–10 years. Maybe by then inter-Korean relations will be on a better track politically too. But as of now, such talk is blather. Lee’s audience in Vladivostok—busy elites, who had convened to discuss serious matters—were reportedly not impressed.

After Moon: More of the Same?

While this journal is primarily a chronicle and analysis of the recent past, as a presidency winds down it is natural to try to peer into the future. With ROK presidents constitutionally limited to a single five-year term, less than half a year from now South Korea will have a new president-elect, voted in on March 9 and due to take office May 9. Who might that be, and what might their stance be toward the other Korea?

While ROK elections (as everywhere) are fought mainly on domestic issues, especially the economy, the outcome will also affect North Korea policy. The liberal ruling DP, like its predecessors since Kim Dae-jung’s Sunshine policy at the turn of the century, largely favors peace and engagement. The oft-renamed conservative party tends to be more hawkish, yet all four of its presidents in the post-1987 democratic era—Roh Tae-woo (1988–93), Kim Young-sam (1993–98), Lee Myung-bak (2008–01), and Park Geun-hye (2013–16)—have in varying degrees attempted outreach to Pyongyang. In June, the PPP elected a new young leader, Lee Jun-seok, who favors unification by peaceful absorption of the North; he has also called for MOU to be abolished as redundant. Yet Lee will not be the party’s presidential candidate; at this point, it is far from clear who will. So even if the right regains the Blue House, which looks a longish shot, that does not rule out détente and dialogue.

Six months is a long time in politics, especially in Seoul. As of now, while Moon Jae-in is becoming a lamer duck (albeit with better poll ratings than most of his predecessors at this stage), the DP looks in better shape than the PPP. Within the DP, ongoing primaries have confirmed a front-runner: Lee Jae-myong, governor of Gyeonggi province which surrounds the capital (indeed, it has become a largely urbanized greater Seoul).

Though not personally or factionally close to Moon, ideologically Lee shares his engagement stance. He also favors conditional sanctions relief for the DPRK. So, if he is the next ROK president, expect policy continuity rather than change. The problem is that Moon’s approach has not worked, even if his government appears in denial on that score. At the very least, Lee (if it is he) will have to be more imaginative in finding ways to break the deadlock. A more detailed discussion must await our next issue in January, by which time the parties will have nominated their candidates and prospects generally may—or may not—be clearer.
May 2, 2021: DPRK leader Kim Jong Un’s sister, Kim Yo Jong, issues a brief but terse statement condemning the latest leaflet launch across the Demilitarized Zone (DMZ) by defector activists in the ROK. Accusing Seoul of “winking” at the leafleteers, she warns: “[R]esponsibility for the consequences thereof will entirely rest with the south Korean authorities who stopped short of holding proper control of the dirty human scum.”

May 3, 2021: ROK Police Commissioner–General Kim Chang-yong orders a “swift and thorough investigation” to “strictly handle the sending of anti-North Korea leaflets.”

May 3, 2021: DPRK website Uriminzokkiri criticizes the controversy in Seoul over publication there of Kim Il Sung’s memoirs: “It is dumbfounded [sic] to see such impure forces’ reckless act to make a fuss as if a huge disaster happened and try to block their publication and distribution in a wicked way.” (See April 21, 22, and 25 in our previous issue, and May 6 and 16 below.)

May 3, 2021: ROK’s Korea Football Association (KFA) says its DPRK counterpart has informed the Asian Football Confederation that North Korea will not take part in the much-delayed second round of soccer World Cup qualifiers (Group H) which South Korea will host in June. The North reportedly cited fears of COVID-19. In the first round, held in Pyongyang in October 2019, the two Koreas’ ill-tempered match ended in a 0–0 draw.

May 5, 2021: Chosun Ilbo, a leading conservative Seoul daily, claims that most of the half a million propaganda flyers launched toward North Korea by Park Sang-hak of Fighters for a Free Korea (FFNK) on April 30 landed in the South, due to wind conditions at the time.

May 4, 2021: Three DPRK media outlets for external audiences—DPRK Today, Tongil Voice and Uriminzokkiri—attack the April 21 dismissal by a Seoul court of a suit brought by former “comfort women”—victims of Imperial Japan’s wartime sexual slavery—against the Japanese government.

May 6, 2021: In an article on the brouhaha over publishing Kim Il Sung’s memoirs in South Korea, The Korea Times’ Nam Hyun-woo notes that, although a rightwing NGO is seeking an injunction to ban the work, the conservative main opposition party is more relaxed. The PPP’s deputy spokesperson Park Ki-nyeong comments: “We should have faith in South Korea’s public awareness and superior system and leave this to the public judgment…No one in this country will sympathize with those who hail Kim Il Sung.” (See also April 21, 22 and 25 above and May 16 below.)

May 6, 2021: Seoul Metropolitan Police raid Park San-hak and FFNK’s offices.

May 12, 2021: Yonhap, the semi-official ROK news agency, notes that a new DPRK album of Kim Jong Un’s diplomatic activities in 2018–19 omits any mention of his three summits with Moon Jae-in, though this might be because neither Korea officially treats inter-Korean relations as foreign.

May 13, 2021: South Korea’s Minister of Unification (MOU) urges North Korea to return to nuclear talks. Lee In-young says that the upcoming summit in Washington between ROK President Moon and US counterpart Joe Biden will be a “big turning point.” Lee makes several further comments in this vein, both before and after the summit; e.g. on May 21, 24.

May 13, 2021: Contra a CNN report claiming that Pyongyang has rejected cooperation with the global COVID-19 vaccine distribution program, MOU says: “As far as we know, relevant negotiations are currently under way between the North and the COVAX side,”
May 16, 2021: Seoul Western District Court nixes a bid by several conservative organizations to ban publication of Kim Il Sung’s memoirs. The court rules that the plaintiffs “cannot seek an injunction on behalf of other citizens.” An appeal is planned.

May 17, 2021: ROK MOU calls the DPRK’s decision to pull out of World Cup soccer qualifiers due to take place in South Korea next month “disappointing.” Pyongyang cited coronavirus concerns.

May 18, 2021: MOU releases new master plan for 2021–23 on supporting North Korean defectors. Its 24 tasks include strengthening psychological support programs, not least for those at risk of sexual violence or suicide. It notes that defectors’ employment rate fell 3.8% last year amid the pandemic to 54.4%. For ROK-born citizens the fall was only 1%, to 60.4%.

May 20, 2021: MOU Lee In-young calls for nonpartisan support for the National Assembly to ratify the Panmunjom Declaration, signed by Kim Jong Un and President Moon at their first summit in April 2018. This would help replace “wasteful political disputes [with] more mature and constructive debate.”

May 21, 2021: Presidents Moon and Biden meet in Washington. Their joint statement is emollient regarding North Korea. Inter alia, the US lifts all limits on the range and payload of ROK missiles. Washington had set such ceilings ever since 1978.

May 25, 2021: Moon Chung-in, former adviser to Moon Jae-in, tells a US-ROK virtual forum that he expects Pyongyang to contact Seoul to get the lowdown on US policy: “It is very likely that North Korea will come. If … not to the United States directly, maybe it will come to South Korea.”

May 27, 2021: An MOU official anonymously briefs reporters that Kim Jong Un’s public activities are on a “downward trend.” The DPRK leader was last seen on May 7. (He will reappear on June 4, after a 29-day absence.)

May 28, 2021: MOU reports to the National Assembly that it will seek to resume inter-Korean dialogue and restore communication links, since the recent Moon–Biden summit has created “sufficient conditions” for this. It will also pursue humanitarian cooperation, such as sending rice and fertilizer.

May 31, 2021: In the first mention of the Moon–Biden summit in DPRK media, the official Korean Central News Agency (KCNA) carries an article by Kim Myong Chol, a pro–North Korean resident in Japan, headlined: “What Is Aim of Termination of “Missile Guidelines.” This attacks Moon’s enthusiasm for missile sovereignty as “disgusting” and “indecent.”

May 31, 2021: Pressed by opposition lawmakers after initially declining to comment, ROK Defense Minister Suh Wook tells the parliamentary National Defense Committee that Kim Myong Chol’s remarks about President Moon are “rude” and “highly inappropriate.”

June 1, 2021: Meeting with Hyundai Group chairperson Hyun Jeong-eun, MOU Lee states his “unwavering … commitment to push ahead with projects like allowing individual tours to Mount Kumgang as soon as the coronavirus situation improves.”

June 3, 2021: MOU says it will spend 1.18 billion won ($1.06 million) to build seven video conference facilities for virtual family reunions. Sites include Uijeongbu, Gangneung, Wonju, Cheongju, and Hongseong. Thirteen such centers already exist, mostly in or near Seoul.

June 6, 2021: Speaking on TV, MOU Lee calls for “maximum flexibility” in regard to joint military maneuvers with the US, due in August. These “should never work in a way that causes or further escalates tensions on the Korean Peninsula.”

June 7, 2021: MOU spokesperson Lee Jong-ju praises project by Gyeonggi province and the Korean Peasants League to create a “farmland for peace.” This would grow rice for North Korea near Gunnam dam, 62 km north of Seoul, built in 2010 on the Imjin river to cope with sudden water discharges by the DPRK upstream, after one such surge in 2009 killed six South Koreans. Despite a 2009 inter-Korean agreement to give notice in future, last year Pyongyang several times released water from its Hwanggang dam without notifying Seoul.

June 9, 2021: MOU says it continues to call North Korea at 0900 every day, but no one picks up. The line at Panmunjom is not “cut,” as there is still a dial tone.
June 10, 2021: MOU declines to join in frenzied media speculation about Kim Jong Un’s apparent recent weight loss. While analyzing photographs of his public appearances, “we have nothing to say about his health issues, and it is not our place to openly comment on it.”

June 11, 2021: International Olympic Committee (IOC) names Brisbane as the sole candidate city to host the 2032 summer Olympic Games. This means the always far-fetched joint bid by Seoul and Pyongyang to co-host in 2032 is officially dead.

June 14, 2021: In Vienna (while on a state visit to Austria), Moon Jae-in says he will seek to cooperate with North Korea in providing COVID-19 vaccines, given South Korea’s bid to become a “global vaccine production hub.”

June 15, 2021: On the 21st anniversary of the first North-South summit, both MOU Lee and his ministry urge North Korea to resume dialogue and restore communication channels. Lee opines that “quite good conditions” for dialogue now exist. He also postpones a plan to visit the US, citing uncertainties in inter-Korean relations.

June 18, 2021: ROK opposition lawmaker Ha Tae-keung of the conservative People Power Party (PPP) says the Korea Atomic Energy Research Institute (KAERI) was hacked on May 14. Some of the 13 external IP address intruders came from servers linked to North Korea’s “Kimsuky” network. Ha claims that KAERI denied the breach before admitting it, and accuses the government of reluctance to acknowledge DPRK cyber-attacks.

June 18, 2021: Citing “government sources,” Yonhap says that on June 16 a South Korean man in his 40s stole a boat on Baengnyeong, an ROK island near the DPRK coast, and tried to defect to the North—but failed, as it ran out of fuel and drifted.

June 22, 2021: Meeting with Sung Kim, the new US Special Representative for North Korea, MOU Lee calls for “active and agile” US-ROK cooperation to bring Pyongyang back to talks.

June 30, 2021: An official at Hanawon, South Korea’s resettlement center for North Korean defectors, says they admitted just 57 in the first half of 2021: down 85% from the 380 who entered during the same period last year. Fresh arrivals in the ROK—who are questioned by the National Intelligence Service (NIS) before their three-month stay in Hanawon—fell from 31 in the first quarter to a record low of two in the second quarter.

July 1, 2021: An unnamed MOU official tells Yonhap that a recent Politburo meeting of North Korea’s ruling Workers” Party (WPK), whose agenda included “an organizational issue,” appears to have seen a reshuffle of some senior officials. Other observers concur.

July 5, 2021: MOU spokesperson Lee Jong-joo says North Korea is facing greater volatility in prices and foreign exchange rates. The ROK government is “keeping an eye” on this.

July 7, 2021: Amid wild rumors in Seoul that Kim Jong Un is unconscious after a cerebral hemorrhage and his uncle Kim Pyong Il has staged a coup, the NIS seeks to steady the ship: “We determine that the speculation about Kim’s health is groundless … [he] presided over a politburo meeting all day long on June 29 and has carried out state affairs normally as head of state.”

July 8, 2021: Briefing the ROK National Assembly’s intelligence committee, NIS confirms that KAERI was hacked, presumptively by North Korea (see June 18). It also reports that Kim Jong Un has lost 10-20 kg in weight but is healthy, and on other matters.

July 9, 2021: ROK sends a written response to the Office of the UN High Commissioner for Human Rights, rebutting concerns voiced in April by the UN Special Rapporteur on North Korean human rights that South Korea’s anti-leafletting law violates freedom of speech.

July 13, 2021: Uriminzokkiri, a DPRK website for external audiences, warns South Korea not to go ahead with joint maneuvers with the US: “War games and schemes to strengthen armed forces will never stand hand in hand with peace.”
July 14, 2021: DPRK media for external consumption attack Lee Jun-seok, the new young head of the ROK conservative opposition PPP, for advocating abolition of the gender equality ministry. Meari calls this a “reactionary view,” while Uriminzokkiri accuses Lee of “showing outright discrimination against women.” Unmentioned is the other ministry Lee also urged to be scrapped as purposeless or outmoded: MOU.

July 16, 2021: Korea Institute for National Unification (KINU), the ROK’s main state think tank on the DPRK, publishes an opinion survey. Although over 90% of South Koreans polled think Pyongyang will not give up nuclear weapons, indifference toward the North (especially among the young) is growing—as is hostility to sending aid for COVID-19.

July 18, 2021: Not very promptly and rather mildly, one DPRK media outlet comments on Lee Jun-seok’s quest to abolish the unification ministry. Tongil Voice radio, quoting ROK media, says critics have called this “foolish, irresponsible and absurd.”

July 21, 2021: In a TV debate Lee Jun-seok repeats his call to abolish MOU, adding that he favors “unification by peaceful absorption” of North Korea.

July 22, 2021: Rebutting Lee, MOU says “the South Korean government does not support unification by absorption ... It pursues peaceful unification through brisk exchanges and cooperation, and eventually inter-Korean agreement based on mutual respect of the other’s system.”

July 23, 2021: KINU reports that recent defector testimony suggests there are fewer public executions in the DPRK, and less mobilization of citizens than formerly. However, the regime has cracked down harder on mobile phones and other digital devices in border regions, in a bid to stop South Korean popular culture flowing in.

July 27, 2021: MND confirms restoration of inter-Korean military hotlines: “Phone calls and faxing to exchange documents now operate normally.” The western line is fine, but the eastern one has technical problems.

July 28, 2021: On the second day of restored inter-Korean communications, the Blue House denies a claim by Reuters that the two sides are planning a fourth Moon–Kim summit: “There have been no discussions on either face-to-face contact or virtual talks.” Earlier, Cheong Wa Dae also nixes reports that the ROK will send a special envoy to Pyongyang, citing COVID-19 constraints.

July 27, 2021: MND confirms restoration of inter-Korean military hotlines: “Phone calls and faxing to exchange documents now operate normally.” The western line is fine, but the eastern one has technical problems.

July 28, 2021: MOU pledges to use newly restored communications with North Korea to raise the case of Lee Dae-jun, the ROK fisheries official killed last September at sea by the KPA in contested circumstances. Having met with MOU Lee, the victim's brother urges Seoul to push for talks with Pyongyang and deliver his letter to Kim Jong Un.

July 29, 2021: MOU says that, given the pandemic, it will use the restored hotlines to discuss holding virtual inter-Korean talks. Next day it faxes such a proposal to the North. As of now there are no plans to offer to help Pyongyang with facilities or equipment.

July 29, 2021: Blue House says Seoul will push for virtual family reunions as an inter-Korean priority. There have been no reunions since the last in-person ones in August 2018.

July 30, 2021: MOU says that starting today it will resume approving requests by NGOs to send aid to North Korea, suspended for 10 months since the killing of Lee Dae-jun.


Aug. 2, 2021: MOU spokesperson Lee says the South will take a “wise and flexible” stance on US–ROK drills. Earlier, an anonymous ministry official called suspending the drills “desirable.” Lee adds that Pyongyang has not yet replied to Seoul’s offer of virtual talks. MND, however, says the allies are discussing when and how to hold the military exercises.
Aug. 2, 2021: “Government sources” tell Yonhap North Korea is using the reopened hotlines to fax details every morning “about foreign fishing boats operating illegally in the Yellow Sea, such as their number and exact locations.” South Korea sends the North its own assessments, which tend to tally. All this prevents accidental clashes. Some 20–30 Chinese vessels are typically found in Korean waters, near the inter-Korean maritime border.

Aug. 3, 2021: North Korea finally answers the South’s calls made by radio link on the international merchant marine network hotline. Seoul had been phoning for a week, but —unlike their fixed hotlines—Pyongyang had not yet responded on this channel.

Aug. 3, 2021: South Korean lawmakers, briefed by the NIS, say the spy agency told them it was Kim Jong Un who requested that inter-Korean communications lines be restored.

Aug. 4, 2021: At a rare Blue House meeting with ROK military top brass, Moon tells MND Suh Wook to hold “prudent consultations” with Washington on joint exercises.

Aug. 5, 2021: Yonhap reports that calls to postpone this summer’s US–ROK military drills are gaining traction within the ruling Democratic Party (DP).

Aug. 8, 2021: Citing “sources,” Yonhap reports that South Korea has “tentatively” decided to go ahead with scaled-back US–ROK drills, without any field component. The computer-based Combined Command Post Training (CCPT) will run Aug. 16–26, after four days of crisis management staff training starting Aug. 10. Despite Pyongyang’s objections, the source says: “We are working to stage the exercise as planned, which is a regular one and necessary for a combined readiness posture.”

Aug. 9, 2021: After heavy flooding in South Hamgyong province on the DPRK’s east coast, MOU says Seoul will explore every avenue for offering assistance. Pyongyang has steadfastly refused such help. The floods have not been discussed on the restored hotlines.

Aug. 10, 2021: Kim Yo Jong issues another statement, blasting the “perfidious” South and the US for going ahead with “dangerous war exercises … designed to stifle our state by force, and an unwelcoming act of self-destruction for which a dear price should be paid.”

Aug. 10, 2021: Hours after “officials” assure Yonhap that inter-Korean hotlines are working normally, North Korea fails to answer the South’s 5 pm call—and all its calls thereafter.

Aug. 11, 2021: After Yoon Seok-youl—ex-prosecutor-general, now a leading presidential contender for the conservative opposition PPP—asks publicly whether any secret deal lay behind reopening hotlines with North Korea, the Blue House says that is “untrue.”

Aug. 12, 2021: Kim Yong Chol, head of the WPK’s United Front Department (UFD) which handles South Korea, lambasts Seoul for ignoring Kim Yo Jong’s warning and going ahead with “frantic military exercises” (which are desk-based). He warns: “We will make them realize by the minute what a dangerous choice they made and what a serious security crisis they will face because of their wrong choice.”

Aug. 15, 2021: In a Liberation Day speech, Moon Jae-in suggests that both Koreas would benefit from “institutionalizing peace” on the peninsula, to create a German-style trust-building system.

Aug. 18, 2021: More downbeat than usual, MOU Lee urges North Korea to return to talks soon, since “it is highly likely that the momentum for the peace process on the Korean Peninsula will weaken” due to the impact of various external factors.

Aug. 19, 2021: “Military sources” tell Yonhap that North Korea declared a no-sail zone off its east coast for Aug. 15-16. This usually precedes a missile launch (though Pyongyang often gives no such warning). South Korea’s Joint Chiefs of Staff (JCS) say that no such launch or other weapons test occurred.

Aug. 20, 2021: MOU says seven new video conference facilities for virtual separated family reunions, additional to and more widely located than the 13 that already exist, will be ready by the end of this month.

Aug. 26, 2021: As US–ROK drills conclude, Urimizokiri calls them “a dangerous playing with fire.” Since Kim Yo Jong’s salvos, Pyongyang’s criticism has been relatively muted.
Sept. 2, 2021: Speaking by videolink, MOU Lee puzzles a high-level Russian business conference in Vladivostok with lofty vistas of a special tourist zone on the east coast of both Koreas which could be expanded to Russia. None of this is in any official ROK plan, much less DPRK.

Sept. 2, 2021: ROK government sources say that almost 10,000 troops have been observed gathering at Pyongyang’s Mirim Parade Training Ground, suggesting rehearsals for a major parade. This is held, initially unannounced, in the small hours of Sept. 9: the 73rd anniversary of the DPRK’s founding. No new weapons are displayed.

Sept. 2, 2021: Despite an almost three-year freeze in North–South relations, MOU requests 1.27 trillion won ($1.1 billion) for the Inter–Korean Cooperation Fund in 2022, up 1.9% from this year’s figure. 51% is earmarked for humanitarian aid, 46% for economic projects, and 3% for social and cultural exchanges. Despite the lack of activity currently, the ministry says it needs this budget “to brace for a possible change on the Korean peninsula.”

Sept. 2, 2021: Moon Jae-in invites local governments to adopt the seven puppies born in June to Gomi, one of two Pungsan hunting dogs given to him in 2018 by Kim Jong Un, and sired by another Pungsan belonging to Moon.

Sept. 7, 2021: Lee In-young tells the National Assembly’s foreign affairs and unification committee that in January–July North Korea’s trade with China, its sole significant partner, fell 82% from the same period last year. It was 15 times higher before COVID-19.

Sept. 9, 2021: A day after the International Olympic Committee (IOC) suspends the DPRK from the 2022 Beijing Winter Olympics as punishment for its refusal to participate in this year’s Tokyo games, the Blue House insists it will continue to pursue inter–Korean sports diplomacy. There had been speculation that Moon Jae-in would try to use the Beijing games to reach out to Pyongyang.
South Korea President Moon Jae-in’s meeting with Joe Biden and his participation in the G7 summit during May and June focused attention on Seoul’s strategy of balancing relations with China and the United States. While Beijing disapproved of the US–ROK joint statement released after the May summit, Chinese state media praised the Moon administration’s relative restraint in joining US-led coalition-building against China. Official remarks on core political and security issues, however, raised mutual accusations of interference in internal affairs. US–China competition and South Korean domestic political debates amplify Seoul’s dilemma regarding its strategic alignment ahead of the country’s 2022 presidential elections.
The China–North Korea relationship turned to commemorative diplomacy regarding summit meetings between Kim Jong Un and Xi Jinping in 2018 and 2019 in the absence of new meetings in 2021. Kim offered hearty congratulations to Xi on the occasion of the 100th anniversary of the founding of the Chinese Communist Party and both sides affirmed the value and historic contributions of the Sino–DPRK Treaty of Friendship, Cooperation, and Mutual Assistance on the occasion of the 60th anniversary of the signing of the treaty in 1961. Political messages underscoring China–North Korean strategic alignment included a North Korean statement affirming shared strategic priorities regarding both the US military withdrawal from Afghanistan and Chinese statements criticizing the continuation of annual US–South Korean military exercises in the context of rising China–US strategic rivalry.

Moon’s Summit Diplomacy Disappoints Beijing

President Moon Jae-in held his first face-to-face summit with Biden in Washington amid what Korean analysts called “sharpening Sino–US competition that has added pressure on South Korea to make a choice.” The US–ROK joint statement on May 21 affirmed a “comprehensive alliance” and shared “vision for a region governed by democratic norms, human rights, and the rule of law at home and abroad.” Although the statement did not name China, the Chinese Ministry of Foreign Affairs opposed references to Taiwan, the South China Sea, and an envisioned international order framed by the Quadrilateral Security Dialogue (Quad) and Indo-Pacific strategy. Moon and Biden were clearly “targeting China” according to PRC Ambassador to Seoul Xing Haiming, who voiced his disappointment at a forum marking the Chinese Communist Party (CCP)’s 100th anniversary on May 24, and media interviews in May and June. While officials of the ROK Ministry of Foreign Affairs downplayed such references, local reporters questioned why there was no mention of human rights issues like Xinjiang and Hong Kong, as the US–Japan joint statement explicitly identified in April. Foreign Minister Chung Eui-yong assured on May 25 that “in light of the special relationship between South Korea and China, our government has refrained from making specific comments about China’s internal affairs.”

Anxieties persisted as Moon prepared to attend the G7 summit on June 11–13 as a guest along with leaders of Australia, India, and South Africa. In telephone talks with PRC counterpart Wang Yi on June 9, Foreign Minister Chung hoped for the “stable development” of US–China relations, indicating that “cooperation between the US and China in responding to global challenges is in the interests of the international community.” The G7 communiqué on June 13 pledged to “consult on collective approaches to challenging non-market policies and practices” of China, urged China “to respect human rights and fundamental freedoms,” and emphasized a “free and open Indo–Pacific.” G7 members launched the Build Back Better World (B3W) initiative, “a values-driven, high-standard, and transparent infrastructure partnership led by major democracies” supporting US “strategic competition with China” according to the White House. In a June 22 report to the National Assembly on the G7 summit’s outcome, the ROK foreign ministry stated, “we seek to harmoniously develop the strategic cooperative partnership with China based on the South Korea–US alliance.”

South Korea’s Balancing Act

According to Chinese analysts like Cheng Xiaohe of Renmin University, the Biden–Moon summit confirmed “Seoul is balancing itself between Beijing and Washington.” The latest US–ROK statement “was the greatest consensus they can reach on China–related issues ... because South Korea needs the US for help in terms of COVID-19 vaccines and other issues.” China’s state media tempered Beijing’s disapproval by describing Moon as “rational and sober” as he faced US pressure given Korea’s economic interests with China, affirming “South Korea will not meddle in China–US competition.” Chinese views of Moon’s diplomacy with Western allies centered on Washington’s “wedge” tactics, Seoul’s restraint compared to Tokyo, and the US “Taiwan card.” As Lu Chao of Liaoning Academy of Social Sciences claimed, “what the US really wants is to sow discord between China and South Korea.” Cheng Xiaohe similarly argued regarding the termination of the US–ROK Revised Missile Guidelines that “it cannot be ruled out that Washington aims to use the case to drive a wedge between Beijing and Seoul.” Global Times insisted “South Korea is much wiser than Japan in keeping a diplomatic balance,” pointing to South Korea’s dependence on China for trade and Korean Peninsula issues. Commentaries on May 21 and May 22 focused primarily on South Korea’s relative restraint on Taiwan, China’s
“red line.” Compared to Japan, Moon’s balanced approach “is always the rational and pragmatic strategic choice for Seoul” according to Lu Chao.

South Korean observers questioned whether Seoul’s US-China strategy is sustainable. As a Korea Times editorial on Moon’s “diplomatic dilemma” concluded after his meeting with Biden, “South Korea finds it harder to keep balancing act.” The G7 summit was “a starting point for a new global order” showing both “South Korea’s enhanced prestige in the international community” and “growing US pressure on Seoul to join its global coalition against China.” Conservative voices identified the summit’s goal as “finding effective ways for leaders of democratic states to jointly react to China's rise and the deepening Sino-US rivalry on global affairs.” According to JoongAng Daily, “the B3W aims to block China from attracting them to its side with money.” The G7’s approach to Beijing not only “reflects the West’s deepening disappointments over China’s ever-aggressive expansionary foreign policies,” but also “resembles what was agreed to in the Korea-US summit.” On the other hand, South Korean skeptics agreed with Chinese counterparts by noting differences within the G7 as a key challenge for the Biden administration’s “attempt to build an anti-China alliance.”

China-North Korean Summit Commemorative Diplomacy

While the Biden administration pursued enhanced coordination with South Korea as part of its rising rivalry with China, China and North Korea enhanced the solidarity of their own six-decade alliance. With the prospect of actual summit meetings blocked by COVID and domestic preoccupations in 2021, China and North Korea maintained momentum in bilateral relations through a sustained round of bilateral “commemoration” diplomacy including statements, exhibitions, and meetings to mark the third anniversary of the May 2018 Xi-Kim summits in Beijing and Dalian and the second anniversary of Xi’s June 2019 visit to Pyongyang. The North Korean embassy in Beijing opened a photo exhibition to mark the third anniversary of Kim’s summit diplomacy with Xi Jinping in Beijing. Chinese Communist Party Central Committee International Liaison Department head Song Tao attended and declared that past summits had laid the groundwork to propel China-DPRK relations to a new stage, while DPRK Ambassador Ri Ryong Nam stated that meetings between the leaders had opened up a new chapter in DPRK-China friendship. North Korea’s Chosun monthly magazine also featured in its May issue a major spread highlighting the anniversary of the North Korea-China summit in Dalian.

Alongside this display of bilateral solidarity, Chinese Foreign Minister Wang Yi met with North Korean ambassador to Beijing Ri Ryong Nam on May 27, shortly after the White House meeting between Moon and Biden. According to the PRC Foreign Ministry, both sides reaffirmed their close relationship, in a signal that close China-North Korean cooperation provided strategic value as an instrument for countering US-South Korea alliance solidarity. Ri emphasized the two countries’ efforts to “enhance solidarity and forge unbreakable friendship,” while Wang Yi emphasized China’s readiness to “maintain high-level strategic communication with the DPRK ... and strengthen coordination and collaboration in regional and international affairs,” and pledged to provide DPRK with “more assistance within its capacity” to improve North Korea’s economy.

Figure 1  PRC State Councilor and Foreign Minister Wang Yi meets new DPRK Ambassador to China Ri Ryong Nam in Beijing. Photo: Xinhua

The Chinese embassy in Pyongyang reciprocated the North Korean embassy’s photo exhibition with one of their own in June to mark the second anniversary of Xi Jinping’s visit to Pyongyang for meetings with Kim Jong Un. Workers’ Party of Korea International Liaison Department Director Kim Song Nam affirmed the value of Kim-Xi summit contributions to “close strategic communication despite the worsening global health crisis and serious changes in the international and regional situations,” while PRC Ambassador to the DPRK Li Jinjun stated that Xi’s visit to the DPRK has great significance
in “carrying forward the traditions and carving out the future in the development of China-DPRK relations in the new era.” This exhibition coincided with the June 21 publication of opinion columns in the Rodong Sinmun by Ambassador Li Jinjun and in People’s Daily by North Korean Ambassador Ri Ryong Nam. Ri stated in his column that “North Korea fully supports the Chinese party and government in defending its core interests in matters such as Taiwan, Hong Kong, Xinjiang, and Tibet.” A joint roundtable was also held in Beijing on June 23 to commemorate both anniversaries.

100th and 60th Anniversaries

Having commemorated recent summitry between Kim and Xi, the two countries also highlighted historical milestones. Kim Jong Un offered his congratulatory message to Xi Jinping on July 1 on the occasion of the 100th anniversary of the founding of the Chinese Communist Party, noting solidarity with the Workers’ Party of Korea in “accelerating socialist construction, protecting the country’s sovereignty and territorial integrity and preserving global peace.”

Xi responded with a message of congratulations on the occasion of the 60th anniversary of the signing of the China-DPRK Treaty of Friendship, Cooperation, and Mutual Assistance. In that message, Xi emphasized the shared history of solidarity, friendship, and peace, while pledging to work with Kim to “strengthen strategic communication, chart the course for the China-DPRK relationship and lift the friendly cooperation between the two countries to new levels so as to bring more benefits to the two countries and their people.” In his response, Kim praised the “long-term development of the DPRK-China friendship forged with blood on a solid legal basis” and said that “in the face of a complex and ever-changing international landscape, the comradely trust and friendship between the DPRK and China have kept growing deeper, and bilateral relations have advanced to a higher stage.”

The DPRK State Affairs Commission held a reception in Pyongyang to mark the 60th anniversary of the conclusion of the treaty. First Vice-President of the Commission Choe Ryong Hae delivered remarks emphasizing the historical solidarity and mutual support in the China-North Korea relationship. Choe stated that the “significance of the treaty has not been played down even a bit despite the passage of 60 years and its strategic importance is growing further pronounced under the present international situation.” PRC Ambassador to North Korea Li Jinjun responded that the common stand recently taken by the two countries on the international arena illustrates the significance of the treaty. General Secretaries Kim and Xi also exchanged greetings affirming the value of the treaty and pledging continued close mutual cooperation and solidarity. Their statements were supported by newspaper articles in the Rodong Sinmun and People’s Daily and an exchange of statements between Wang Yi and Ri Son Gwon.

Kim offered his sympathies in a verbal message to Xi for Chinese losses due to flooding in Henan province on July 24, to which Xi replied on July 30. In addition, Kim placed a wreath at the base of the Friendship Tower in Pyongyang to honor Chinese soldiers who came to North Korea’s assistance during the Korean War on July 28. The intensification and broadening of the scope of public exchanges around the 60th anniversary of the China-DPRK Friendship Treaty suggests that both sides have made significant efforts to overcome practical inhibitions to diplomatic exchange resulting from COVID to strengthen China-North Korean strategic alignment and political solidarity in the face of deepening China-US strategic competition.

ROK Domestic Politics and Its Impact on China’s Policy

Mutual accusations of interference in internal affairs constrain China-ROK diplomacy. China’s new Special Representative on Korean Peninsula Affairs Liu Xiaoming and South Korea’s nuclear envoy Noh Kyu-dukt held their first telephone talks on June 23, soon after Noh’s trilateral meeting with US and Japanese counterparts in Seoul on resuming dialogue with North Korea. Earlier that month, Beijing and Seoul agreed to continue joint inspections in the Yellow Sea and further cooperation on illegal fishing in the East Sea/Sea of Japan, where South Korea has blamed Chinese boats for its declining catch. After working-level talks with Chinese counterparts in July, the ROK Defense Ministry affirmed plans for repatriating the remains of Chinese soldiers killed in the Korean War, the eighth transfer since 2014.

But South Korea’s March 2022 presidential elections amplify points of friction with China, including what the PRC foreign ministry called “unacceptable” remarks on Hong Kong and
THAAD by some candidates. China’s state media reacted angrily to a July 11 interview by Lee Jun-seok, the millennial leader of biggest opposition party, the People Power Party, who compared the “cruelty” of the “Hong Kong government backed by the Chinese government” to Seoul’s crackdown on the 1980 Gwangju democracy protests. Global Times compared Lee’s “radical ideological stances” to President Moon’s “rational approach toward China,” accusing Lee of “taking advantage of nationalist sentiments and democratic narratives” for political purposes. After meeting Lee on July 12, Ambassador Xing Haiming defended Beijing’s position by citing Hong Kong “separatists” and “terrorist activities,” and South Korea and China’s common interests in Hong Kong’s stability.

Differences on peninsula security issues resurfaced at the virtual ASEAN Regional Forum (ARF) on Aug. 6, attended by Foreign Ministers Wang Yi and Chung Eui-yong, and DPRK Ambassador to Indonesia An Kwang Il. Calling for “parallel progress” on denuclearization and peace, Wang used the ARF platform to oppose annual US–ROK military drills in line with Pyongyang’s own denunciation days later. South Korea’s foreign ministry called the joint exercises, based largely on computer simulation this year, “an issue that South Korea and the United States decide at the alliance level.” But in addition to raising accusations of interference, recent remarks by Chinese officials sharpened Korean domestic criticism of Moon’s diplomacy. Moon’s return to “strategic ambiguity” despite his joint statement with Biden “caused Xing’s interference in domestic affairs” in July according to some critics. Wang Yi’s warning on US–ROK military exercises in August similarly drew attention to Moon’s “elusive peace agenda” that is under “pressure” from Beijing and Pyongyang.

Regardless of whether Wang’s ARF statement opposing US–ROK military drills was induced by South Korean domestic political developments, it is clear that the China–North Korean alignment on international political issues is becoming stronger. Wang’s criticism of joint US–ROK military exercises at the ARF meeting reinforced North Korea’s criticisms of the exercises and aligns with China’s desire to diminish the US military role and political influence in East Asia. Wang called for a rollback of United Nations Security Council (UNSC)–imposed sanctions on North Korea “so as to create a positive atmosphere for the resumption of dialogue and consultation” and implied that joint military drills were actions that might lead to an escalation of tensions. Wang Yi’s stance echoes Chinese and Russian calls for sanctions relaxation toward North Korea in December 2020, despite intervening North Korean statements at the January 2021 Eighth Party Congress pledging to continue nuclear weapons development. Wang reiterated China’s support for parallel progress toward denuclearization and establishment of a peace mechanism through phased and synchronized actions (the dual-track approach), but did not directly join in public calls for North Korea to return to denuclearization talks.

A North Korean statement on Afghanistan aligned with Chinese criticisms of the US
democracy-building efforts abroad by characterizing the United States as a “disruptor and destroyer of world peace.” The North Korean statement called on the United States to “stop interfering in other countries’ internal affairs under the banner of democracy and human rights and destroying the peace and stability of other countries and regions.”

**Efforts to Improve China–North Korean Economic Relations**

Greater political alignment between China and North Korea provided support for efforts to rebuild trade relations. The China–North Korea trade relationship is closely watched as an early indicator of how and when North Korea might move from damaging self-quarantine policies to a resumption of trade and economic interdependence with the outside world. Amid international reports of North Korean internal economic distress and speculation over the impact of COVID, the reopening of the China–North Korea border is one bellwether of possible North Korean willingness to receive aid from South Korea and the international community.

Chinese customs figures show a sixfold increase in Chinese exports to North Korea (from $2.7 million to $12.3 million) and 2.5 times increase in imports to North Korea (from $749,000 to $1.818 million) between May and June of 2021. Korea International Trade Association (KITA) reports that China–North Korea trade in June increased 302% compared to May to $141.1 million, following an 88% decrease in May from April to only $3.5 million. Reports on July customs figures from both the General Administration of Customs of the PRC and KITA suggest that overall trade in July 2021 surpassed $20 million for the first time since September 2020. These numbers show that despite fluctuations, China–North Korea official trade began to recover over the summer. Reports from early August suggested that a broader reopening of the China–North Korea border could occur as soon as September, but speculation about an early opening of the China–North Korea border has proven unfounded in 2021 despite evidence of North Korean internal distress including evidence of a rise in prices in North Korean markets in June.

In response to a question prompted by Kim Jong Un’s admissions of internal economic distress, the Chinese foreign ministry spokesman on June 30 indicated that “China and the DPRK have a long tradition of mutual assistance in times of need. China stands ready to positively consider providing help to the DPRK should there be such a need.” The United States and South Korea have reiterated a willingness to consider humanitarian aid for North Korea on multiple occasions during the summer of 2021.

**Vaccines and High-Tech Economic Competition**

China–ROK trade volume in January–June reached $140.59 billion based on South Korean official data, an increase of about 25% compared to the same period last year. A KITA survey of 540 companies in June, however, showed that more than three-quarters of exporters to China suffered costs from COVID–19. Local sources report a 28% decline in sales of South Korean big businesses’ Chinese production units in 2016–2020, citing repercussions from the THAAD dispute, the US–China trade war, and weakening competitiveness, especially in the auto sector.

Although President Xi Jinping and Prime Minister Kim Boo-kyum supported the APEC summit’s July 16 joint statement on “Overcoming COVID–19 and Accelerating Economic Recovery,” US–China rivalry frames South Korean debate on managing post-pandemic economic relations. As a JoongAng Daily editorial indicated, Seoul’s need for vaccines and Washington’s need for South Korean support in its semiconductor competition with China emerged as key points of US–ROK strategic cooperation in May. Advancing such cooperation, a highlight of the Biden–Moon summit was investment plans by South Korean companies in high-tech sectors like semiconductors and electric vehicle batteries. A Korea Herald commentator argued in favor of a “consolidated alliance” with Washington, as “being excluded from the US–led global supply chains could cripple the Korean economy.” A CSIS–Chey Institute joint report in June identified the development of “trusted supply chains” as an area of US–ROK cooperation that could reduce economic dependence on China in the post-pandemic era.

**Conclusion: Domestic Transition and a Changing World Order**

Current exchanges shape the trajectory of China–ROK relations in anticipation of the 30th anniversary of diplomatic normalization and the end of Moon’s term in 2022. Tasked with planning the next 30-year agenda, the multi-sectoral “Committee for Future-Oriented Development of Korea–China Relations” held its inaugural session on Aug. 24 in Seoul. Foreign
Minister Chung Eui-yong marked the occasion by calling China and South Korea “closest and important neighbors” and “core partners” on peninsula denuclearization and peace. But regional summits this summer intensified Chinese debate on hegemony and multilateralism in the Biden era, and catalyzed further South Korean reassessment of power and values as the liberal Moon administration prepares for transition. JoongAng Daily argued in light of a changing international order, “The Sino-US contest involves both power and values. We urge Moon to demonstrate his own values—and ours.” The conservative outlet urged the Moon leadership to “proactively” manage relations with China based on the US–ROK statement and shared “constitutional values,” warning: “China is our largest trade partner. But if Moon gets overly worried about China’s reaction, he could lose the trust of the US and the international community.”

In addition to shared values, Moon’s recent exchange with US allies underscored their common economic interests regarding China. As some Chinese analysts claimed in June, Washington’s efforts to mobilize partners “by playing the ideology and values card is doomed to fail” due to “fundamental divergences among G7 members and invited countries on how to get along with China.” When US Defense Secretary Lloyd Austin visited Seoul in March, Global Times quickly identified South Korea as “the “weak link” of the US strategy of encircling Beijing” given Korea’s “strong political and economic reliance on China.” Based on such dependence, Cheng Xiaoheng suggested after the Biden–Moon summit, “While paying attention to the development of US–South Korea ties, China should also remain restrained, rational and tolerant toward South Korea.”

South Korean views of China complicate North Korea’s increasing economic dependency on and political solidarity with China, especially if China is perceived as flouting the very UN sanctions that prevent the Moon administration from pursuing economic integration strategies toward North Korea. On the other hand, early sparring between China and South Korean conservatives raises far more questions about how China could use its growing alignment with North Korea to complicate tensions between China and South Korea (as well as the United States) in the event of a return to conservative leadership in Seoul. South Korea’s leadership transition next year makes it uncertain whether Seoul’s balancing act will continue to dampen frictions with Beijing.
CHRONOLOGY OF CHINA-KOREA RELATIONS

MAY – AUGUST 2021

May 3, 2021: Chinese, South Korean, and Japanese officials attend the virtual meeting of ASEAN+3 Finance Ministers and Central Bank Governors, and hold trilateral talks.

May 24, 2021: China’s foreign ministry expresses concern over the May 21 US-ROK joint statement.


June 8–10, 2021: China and South Korea hold working-level talks on illegal fishing.


June 21, 2021: CPC International Liaison Department hosts a joint symposium with North Korea commemorating Xi Jinping–Kim Jong Un exchanges.

June 21, 2021: PRC Embassy in Pyongyang holds photo exhibition marking the 2nd anniversary of Xi –Kim talks.

June 21, 2021: PRC Ambassador to North Korea Li Jinjun and DPRK Ambassador to China Ri Ryong Nam publish op-eds in Rodong Sinmun and People’s Daily respectively on China–DPRK friendship.

June 23, 2021: China’s special representative on Korean Peninsula affairs Liu Xiaoming and South Korea’s chief nuclear negotiator Noh Kyu-duk hold telephone talks.

July 1, 2021: Kim Jong Un sends a message to Xi Jinping commemorating the 100th anniversary of the CPC’s founding.


July 11, 2021: Xi and Kim exchange messages marking the 60th anniversary of the China–DPRK friendship treaty.


July 16, 2021: PRC President Xi and ROK Prime Minister Kim Boo-kyum attend virtual APEC summit.

July 23, 2021: Beijing approves the entry of Pakistani rescue helicopters into Chinese territory to search for a South Korean mountain climber missing in the Himalayas since July 19.

July 24, 2021: Kim sends a verbal message of support to Xi for flood recovery efforts in Henan province.

July 26, 2021: After working-level talks with China, ROK Defense Ministry announces September plans to repatriate remains of Chinese soldiers killed in the Korean War.

July 28, 2021: Kim, during a visit to Friendship Tower marking the 68th anniversary of the Korean War Armistice, expresses support for relations with China.


Aug. 6, 2021: PRC Foreign Minister Wang Yi, ROK Foreign Minister Chung Eui-yong, and DPRK Ambassador to Indonesia An Kwang-il attend the virtual ASEAN Regional Forum.
Aug. 11, 2021: PRC Ambassador Xing Haiming addresses a forum in Seoul marking the 19th anniversary of China-ROK diplomatic relations.

Aug. 24, 2021: Inauguration session of the Committee for Future-Oriented Development of Korea-China Relations is held in Seoul.

Aug. 30, 2021: Chinese, South Korean, and Japanese culture ministers hold virtual talks on trilateral cooperation.
China and Japan continued to vie over a wide variety of issues including economic competitiveness, jurisdiction over territorial waters, World War II responsibilities, representation in international organizations, and even Olympic and Paralympic medals. The Japanese government expressed concern with the increasingly obvious presence of Chinese ships and planes in and around areas under its jurisdiction, with Chinese sources accusing Japan of a Cold War mentality. Nothing was heard of Xi Jinping’s long-planned and often postponed official visit to Tokyo. Also, Chinese admonitions that Japan recognize that its best interests lay not with a declining United States but in joining forces with a rising China were conspicuous by their absence.
Politics

In this reporting period, the Japanese government continued to seek backing for its claims to territories in the East China Sea. According to documents obtained by Kyodo from the US National Archives, as early as April 1978 the Fukuda administration asked then-President Jimmy Carter’s government to amend its position of impartiality over the Diaoyu/Senkaku Islands in the East China Sea but was rebuffed. Japan also expressed its uneasiness with Chinese activities in the South China Sea. In a clear but unspoken reference to China, Prime Minister Suga Yoshihide, speaking at the Pacific Islands Leaders Meeting in June, urged the 18 member nations to unite against authoritarianism, respect international law, and uphold freedom of navigation on the high seas. And, speaking at the ASEAN Regional Forum (ARF) two months later, Foreign Minister Motegi Toshimitsu voiced Japan’s strong opposition to unilateral attempts to change the status quo in the East and South China seas by force.

In late May, it was reported that the Japanese government is concerned about the country’s participation in international organizations vis-à-vis that of China. Statistics indicate that, although Japanese nationals hold 912 specialist positions or high-ranking posts in international organizations, a gain of 23% between 2015 and 2019, China’s total grew 41% in the same period. The top posts at four of the United Nations’ 15 specialized agencies are held by Chinese while none are held by Japanese. Tokyo intends to put forward a candidate for director general of the UN’s Universal Postal Union. Japan used to be the second-largest contributor to the United Nations after the US, but has fallen behind China in recent years.

Responding to perceptions of Chinese efforts to influence Japan’s political system, in June the Ministry of Education began a review asking the 14 universities that host Confucius Institutes (CI) to provide information on matters like funding, number of participating students, and whether the CI intervenes in research. In addition to concerns about propaganda, the government is worried that technologies could be leaked to China through personal exchanges. Currently, since CIs do not offer degrees, they need not seek approval or even register with the government. There are also fears that the country is falling behind China in science and research, with Yomiuri editorializing that the Japanese government needs to rebuild the nation’s research system as soon as possible since science labs are the new front line with a rising China. Outstanding researchers are going to China, where they are offered lavish research funds or because they cannot get jobs in Japan.

A joint opinion poll by Yomiuri and South Korea’s Hankook Ilbo in June found that 88% of Japanese and 72% of South Korean respondents think that the military pressure that China is putting on its neighbors is a threat to their countries. On economic issues, 48% of Japanese respondents said the current situation should be maintained, 23% that ties should be strengthened, and 22% said that they should be lessened. Responses from South Koreans were nearly identical. Chinese who would like to establish better relations with Japan have discovered that they do so at their peril: the nearly 200 Chinese intellectuals who took part in a Japan Foundation program to improve relations between the two countries have been branded traitors by Chinese social media, though some defended them.

Polite relations were maintained at the official level, albeit unenthusiastically. The Japanese Communist Party (JCP) was the sole major party in the Diet not to extend congratulations to the Chinese Communist Party (CCP) on the centenary of the latter’s founding in 1921. JCP Chair Shii Kazuo described the CCP as “not worthy of the name of a communist party.” The main opposition Constitutional Democratic Party of Japan admitted “having reservations under the current circumstances.” Referencing the fifth anniversary of the Permanent Court of Arbitration’s judgment against China’s claims in the South China Sea in July, The Japan Times called the ruling a “brick in the wall supporting the rules-based order” that must be supported. The paper also noted that much of the aid China promised to the Philippines in return for downplaying the judgment had never materialized.

Chinese officials continued their attack. As June closed, Jing Duan, addressing the United Nations Human Rights Council, urged Japan to treat the issue of “Comfort Women”—victims of Japan’s World War II-era sexual slavery—in an honest and responsible manner. To commemorate the 84th anniversary of the full-scale China–Japanese war on July 7, 24 memorial halls in 14 of China’s provincial–level regions held grand memorial services, with attendees reciting poetry, singing songs, and laying flowers. Chinese social media
used abusive language and even death threats against Japanese athletes competing in the Tokyo Olympics, quickly moving from criticisms of the athletes to generalized attacks on Japan itself. A week later, however, China Daily, in contrast to the vitriol against Japan in social media, editorialized that Chinese audiences “wholeheartedly applauded strong performances by athletes wherever they are from and feel sorry for those who fall short of success... it is to be hoped that the Beijing Winter Olympics can... see the nation again embracing the Olympic spirit.”

In a bizarre incident in August, China’s embassy in Australia claimed its ambassador “excoriated” his Japanese counterpart at a National Press Club event for downplaying imperial Japan’s wartime atrocities. The Chinese ambassador, however, did not attend the event, and the press club’s video log shows that a speech by the Japanese ambassador made no mention of Japan’s actions during World War II. A spokesperson for the Japanese embassy denied that the incident had taken place.

Into this already unpleasant atmosphere came the annual anniversary of Japan’s World War II surrender, with several Cabinet members paying respect on or near the date of Aug. 13. The center-left Asahi took Nishimura Yasutoshi, head of the central government’s effort against the pandemic, to task for ignoring his own advice by visiting the Yasukuni Shrine during the state of emergency. Nishimura, who simultaneously holds the post of economic revitalization minister, became the first Cabinet member since the Suga administration was formed in September 2020 to pay a visit to the controversial shrine. Nishimura used his own money rather than official funds to purchase the ritual masasaki branch offering; he last visited on Aug. 16 of last year. A second Cabinet member, Defense Minister Kishi Nobuo, also visited, again paying for the masasaki offering from his own funds, and eliciting a “solemn representation” from the Chinese government. A spokesperson for China’s defense ministry admonished Japan to reflect truthfully on its history of aggression and objected to “a lot of negative acts” when dealing with China, which he listed as gangning up with countries outside the region to vilify China’s defense policies and military development, conducting exercises targeting China, meddling in the Taiwan question, and carrying out provocative moves in the South China Sea, all of which had seriously damaged China-Japanese defense ties. Chinese citizens also bore consequences related to the shrine: the PRC’s Association of Performing Arts called for a boycott of actor Zhang Zhehan after photos of him visiting Yasukuni Shrine in 2018 and 2019 circulated online. Although Zhang immediately apologized, more than 25 companies, including Coca-Cola and Danish jeweler Pandora, have terminated their contracts with him.

Economics

Good economic news in the reporting period may be replaced by less favorable statistics in the next. Japan’s Finance Ministry announced that the country’s current account balance from January-June 2020 rose 6.1-fold in the same period of 2021, with exports rising 47.7% and imports by 33.8% but cautioned of problems ahead. The BBC reported that the Japanese economy grew at twice the rate forecast from April to June, an annualized 1.3%, while predicting that third-quarter growth will be modest after a state of emergency was reimposed in response to a spike in COVID-19 infections. It also reported, without providing statistics, that the Chinese economy was losing steam as factory output and retail sales rose more slowly than expected compared to a year ago. New COVID outbreaks are also depressing growth. The center-right Yomiuri, noting signs of softening in the Chinese economy such as chip shortages, rising resource costs, a stronger yuan and the ongoing dispute with the US, predicted that a downturn would likely have a significant negative impact on Japan.

In its latest move to cut costs in a sector where its brand has faded, Panasonic in May announced plans to outsource production of televisions to its Chinese rival TCK, the world’s largest TV maker. Chinese Foreign Ministry spokesperson Wang Wenbin described moves by Japan and the United States to make their supply chains less reliant on the PRC as violations of the principles of market economy and fair competition that will “only artificially divide the world.” At the end of June, after much hesitation, Japan ratified the Chinese-led Regional Comprehensive Economic Partnership (RCEP), now the world’s largest free trade agreement. RCEP is the first trade deal that encompasses both China, Japan’s largest trading partner, and South Korea, the PRC’s third-largest trading partner. According to the Japanese government, participation in RCEP will boost the country’s GDP by 2.7%. Global Times speculated that the lack of tourists from China may have been a factor in major Japanese apparel purveyor Uniqlo’s plan to close and relocate a store in a main shopping area of Osaka, though adding that
Uniqlo had explained that the lease on the store had expired and it was being relocated.

Chinese electric vehicle (EV) producers hope to open the Japanese market, 90% of which is dominated by domestic manufacturers. The Chinese government has been providing subsidies to help in the effort. Currently, most buyers of Chinese-made cars are Chinese residents of Japan and people of Chinese origin who hold Japanese citizenship. Imports are difficult due to Japan's extremely tough standards, and a dealers' network must first be built.

Defense

The Japanese government lodged a diplomatic protest in May against the presence of a Chinese marine research vessel conducting unauthorized research within Japan’s Exclusive Economic Zone (EEZ). The incident was the first confirmed incursion around the Okinawa area since July 2019. The annual report of the Japanese Coast Guard, issued in the same month, revealed that the number of large Chinese Coast Guard (CCG) vessels had more than tripled over the past eight years. In 2020, CCG vessels were seen inside the contiguous zone around the Senkaku Islands 333 days, a record high. Currently, four, including at least one autocannon-equipped vessel, continue to navigate there almost every day. Japan's 2021 defense white paper, released on July 13, devoted three times as much coverage to China as to the United States in outlining the defense programs of various nations. It took note of China's unilateral attempts to change the status quo by coercion near the Diaoyu/Senkaku Islands as shown by a total of 1,161 China Coast Guard vessels present within the islands’ contiguous zone for a record 333 days, 111 of them consecutive, in 2020. The paper termed provisions of China’s newly enacted coast guard law inconsistent with international law, the rising tension in the East China and other seas areas “completely unacceptable” and acknowledged for the first time that “stabilizing the Taiwan situation is crucial to the stability of Japan’s national security and the international community.” Showing that tougher measures do not have unanimous support, center-left Asahi applauded the defense ministry’s decision against replacing last year’s “strong national security concern” to “strong national security threat,” but criticized the review for not specifying what should be done to build a peaceful, stable relationship with the PRC.

In May, in response to the repeated advances of China’s carrier fleet into the Pacific Ocean, Japan’s defense ministry announced that it will deploy the Air Self-Defense Force’s mobile radar unit to the Ogasawara Islands to watch for violations of Japanese air space. The government believes that China will expand the range of activities of its carrier fleet near the line that runs through the Ogasawaras and Guam. In June, the LDP’s Foreign Affairs Division proposed a third update to the US-Japan defense guidelines that includes Japanese participation in freedom of navigation exercises in the South China Sea and a focus on contingencies during a conflict in the Taiwan Strait.

In May it was reported that leading Japanese infrastructure companies such as NT&T and Kyushu Electric Power are replacing Chinese-made drones due to concerns with security. NTT has begun to produce its own drones to compensate for the lack of home-grown alternatives. The Japan Coast Guard has already ceased to use Chinese drones.

Japan is increasingly seeking to work with foreign partners. Speaking to the European Parliament’s security and defense subcommittee in June, Defense Minister Kishi expressed “serious concern” with China’s steady buildup of its military capacity and lack of clarity about its intentions. A few weeks earlier, US Defense Secretary Lloyd Austin suggested a new concept of integrated deterrence that calls for Japan to assume a role in the numerous chokepoints of the Nansei Islands group. Under Austin’s plan, a combination of Maritime Self-Defense Force (MSDF) submarines and defensive mining would force the Chinese navy either all the way around Taiwan or into the battle space of the East China Sea where the US and Japan can control it. In May, the Japan Bank for International Cooperation announced that it will again provide low-interest loans to allow partner countries to purchase defense equipment. Despite concerns with China’s assertiveness, there have been few takers for such loans since the government in 2014 allowed them on condition that they contribute to peace and Japan's security. ARC21, large-scale joint military maneuvers among Japan, the US, and France took place for the first time on Japanese soil. They involved an urban warfare drill at a facility designed to look like a remote island as well as amphibious operations. Japan has also conducted drills with Britain and Germany during the visits of those countries’ frigates to the region during the reporting period. China denied any connection between its flotilla passing through the Miyako Strait and the joint Japanese, US, French, and Australian exercises that had concluded the day...
before, saying “the hype by Japanese media organizations only reveals their guilty conscience for their confrontational cold war mindset against China.” The ships, it said, were merely performing escort duties. In August, Japan participated in the annual Malabar naval exercise alongside Australia, India, and the US, with Global Times denigrating the operation as a “costly show of self-comfort ... like a show that doesn’t sell.”

In May, and for the first time, the Japanese government publicly identified China as responsible for a cyberattack. According to Commissioner General of the National Police Agency Matsumoto Mituhiro, PLA Unit 61419 a strategic support unit operating from Qingdao, was the likely culprit for the recent attack against the Japan Aerospace Exploration Agency (JAXA). Japan’s justice system does not allow aggressive investigations to track down cyber suspects. Taking note of Japanese forces’ increased attention to electronic warfare, China’s leading military newspaper observed that the country is going yet further from the defense-only stipulation in its constitution. This struck others as a good idea: writing in Nikkei, two US analysts advocated that Japan respond to increasing Chinese assertiveness by disavowing pacifism and embracing collective defense. “Never again,” they wrote, should be rephrased, as Germany has, with “never again alone.”

Specifically referencing China’s increased capabilities as well as new areas of warfare such as space, cyber, and electromagnetics, Defense Minister Kishi signaled the end of Japan’s self-imposed 1% GDP cap for annual defense spending. As noted by Nikkei, the disputed Diaoyu/Senkaku Islands sit just 170km from Taiwan and could quickly be engulfed in a Taiwan Strait conflict. Kishi also mentioned strengthening capabilities on the Nansei Island chain, through which Chinese military vessels regularly pass, and which are seen as crucial to the defense of the Senkakus. Although Japan’s defense budget has grown for nine straight years through FY 2021, it has remained under 1% of GDP.

Yomiuri reported in mid-May that, with China in mind, Japan will strengthen regulations to prevent the outflow of military-related technology. This will change a policy that does not require foreign nationals who have been in Japan for more than six months and are regarded as residents to apply for approval to acquire military-related technology. The exporter of a motor that converts electrical signals into movements of a machine has been prevented from exporting his company’s products to China, allegedly for agricultural machinery, since they can be used for military purposes.

The director of the Institute of Northeast Asian Studies at the Heilongjiang Provincial Academy of Social Sciences in June characterized an LDP-proposed growth strategy linking economic policies and business activities directly to national security as a revival of fukoku kyōhei, the Meiji-era’s “enrich the country and strengthen the military.” He argued that it is an open endorsement of Japan’s decision to take sides with the US rather than work with China and other countries to promote regional integration.
through such mechanisms and the Regional Comprehensive Economic Partnership and the China–Japan–South Korea Free Trade Agreement.

In June, the Japanese Coast Guard confirmed that the four China Coast Guard vessels in the contiguous zone off the Senkaku/Diaoyu Islands marked a record 112 consecutive days of such intrusions, exceeding by one day the previous record from April to August 2020. Chief Cabinet Secretary Kato Katsunobu termed the situation “extremely serious.” The Chinese Coast Guard 2301 fleet conducted a patrol in the territorial waters off the disputed Diaoyu/Senkaku islands, marking the sixth time since the beginning of 2021 that such patrols have been publicly announced. Coast Guard 2502 conducted a separate cruise in the area on May 24.

A ranking of 15 global cyberpowers by London’s International Institute for Strategic Studies, released in late June, placed Japan in the bottom of its three tiers, below China and Russia. The IISS report laid out the implications for Japan’s relations with the Five Eyes intelligence-sharing alliance with Australia, Canada, New Zealand, the UK, and the US. In early July, Japan’s Defense Ministry announced plans to increase its cybersecurity staff in response to increasingly sophisticated attacks. As of the end of fiscal 2020, the Self-Defense Forces (SDF) had 660 such personnel; China has 30,000. The SDF hopes to have at least 1,000 by fiscal 2023, and will draw on private industry for advisers and personnel who will work at the ministry for two or three days a week while remaining employees of their companies. Coordination with the US will also be increased. In June, the MSDF conducted cyberattack drills with the US military.

In July, Chinese Ministry of Foreign Affairs spokesperson Zhao Lijian responded to the publication of Japan’s 2021 defense white paper by admonishing Japan to maintain basic respect for China’s internal affairs. Using the paper to make “indiscreet” remarks about the Taiwan question will “not only seriously violate the spirit of the four political documents between China and Japan and Japan’s commitments, but also create more uncertainty in Sino-Japanese relations that are currently facing severe challenges.”

In a move to counter Chinese area-denial tactics within the first island chain, Kishi in late August confirmed plans to station an additional 500 to 600 missile defense personnel on Ishigaki, which is close to the disputed Diaoyu/Senkaku Islands and 185 miles from Taiwan. Local residents, however, are voicing concerns about noise pollution and the destruction of nature over a plan to build an SDF training base on uninhabited Mageshima island near Tanegashima. US carrier-based aircraft are to be relocated there from their current location at Iwoto island. In response to Chinese ships entering Japanese territorial waters near the Senkakus and illegal fishing by Chinese and North Korean vessels, Japan will launch a new surveillance system that identifies suspicious ships by combining artificial intelligence and satellite technology. Plans are for the system to go into operation as early as fiscal 2024. The government is also considering establishing a surveillance system that can cover an even broader area, including Taiwan and the South China Sea.

In August, a few days after Prime Minister Suga told Newsweek that the government should not feel bound by the informal 1% cap of GDP, the defense ministry announced that it would seek a fiscal 2022 budget of more than ¥5.4 trillion ($49.3 billion) that could surpass the longstanding cap. At the request of the Japanese side, the LDP held online talks with Taiwan’s ruling Democratic Progressive Party (DPP) at the end of August, these being the equivalent of the 2-plus-2 security dialogues between governments (see section below on Taiwan). In response, a spokesperson for the Chinese State Council’s Taiwan Affairs Office admonished Japan to “reflect on its history, immediately correct its mistakes, and abide by the one-China principle and the principles of the four political documents between China and Japan with concrete actions”; it added that “the DPP authority’s” attempt to
collude with external forces to seek Taiwan independence was doomed to fail.

In a setback for Japanese defense plans, the defense ministry announced in August that it had decided not to request funds in the fiscal 2022 budget for a state-of-the-art sea-based missile-defense system that would also have monitored Chinese naval ships making advances into waters around Japan.

Yomiuri in August editorialized that China’s buildup of missile silos, reportedly for the Dongfeng-41 intercontinental missile that would pose a threat to the United States, goes far beyond its claim to keep nuclear capabilities at the minimum level required. The buildup occurs amid increases in China’s submarine-launched ballistic missiles and strategic bombers which, together with ICBMs, comprise the nuclear triad.

At the end of August, in a third consecutive day of Chinese drone sightings, the ASDF scrambled planes after three Chinese military aircraft including a TB-001 unmanned aerial vehicle entered airspace between the main island of Okinawa and Miyakojima. There were no airspace violations; the three flew from the East China Sea to the Pacific Ocean, then returned to the East China Sea. As the report period closed, China imposed a Maritime Traffic Safety law to take effect on September 1 giving the Maritime Safety Administration the authority to impose fines on foreign–flagged vessels for sailing in waters it claims as its own. This is a potential flashpoint for the Diaoyu/Senkaku Islands dispute, since Japanese fishing boats operating in the surrounding waters may face enforcement actions. The law also gives the Maritime Safety Administration authority over so-called jurisdictional waters, a category that is broader than territorial waters or contiguous zones. The agency can also establish no-passage zones in jurisdictional waters at its own discretion.

Taiwan

In May, a retired Ground Self-Defense Force officer, describing a Taiwan emergency as a Japan emergency since the two islands are part of the same combat theater, urged Japan to develop a deterrent credible enough to convince China that armed clashes would be unproductive and irrational. Japanese and European Union leaders also released a joint statement that “underscore[d] the importance of peace and stability across the Taiwan Strait” and called for “enhanced cooperation for a free and open Pacific.” Proposed by Japan and with the consent of all EU members, the statement marked the first time that Taiwan has been included in a top-level Japan–EU statement.

In the following month, the LDP’s Foreign Affairs Division’ proposed updates to the US–Japan defense guidelines focused on contingencies during a conflict in the Taiwan Strait. Refuting one American view that it does not make sense for the US to risk military defeat or financial ruin by defending Taiwan since US interests are not directly threatened, a retired ASDF lieutenant general argued that the loss of Taiwan would leave a hole in the middle of the first island chain. This will enable the PRC to reach its goal for the division of the Pacific by 2049. The lieutenant general advocated that Japan and the US create a comprehensive plan for contingencies in Taiwan before the next 2–plus–2 dialogue and that Japan increase its defense spending to 2% of its GDP. Also in June, Tokyo University Prof. Sahashi Ryo urged the Japanese government to end its policy of excessive self-imposed restraints on official interactions with Taiwan for fear of offending Beijing. No productive discussion about the future of East Asia could, he opined, ignore the existence of this thriving democracy with its dynamic economy that includes the world’s top chipmakers.

In a June interview with Bloomberg, Defense Minister Kishi said explicitly that the security of Taiwan is directly connected to that of Japan, and that Tokyo is closely watching China–Taiwan ties as well as Chinese military activity. In July, the draft of the Japanese defense military’s 2021 white paper stated, for the first time, the strategic importance of Taiwan for Japan’s national security and for the stabilization of the international community. Speaking to Washington’s Hudson Institute think tank, State Minister of Defense Nakayama Yasuhide said it was necessary for countries including Japan and the US to “wake up” to Beijing’s pressure on Taiwan and protect the island as a democratic country. At the end of June, the Financial Times reported that the US and Japan have been conducting war games and joint military exercises in the event of a conflict with China over Taiwan. These include top–secret tabletop war games and joint exercises in the South China and East China seas that have been portrayed as disaster relief training. According to a former US official, the eventual goal is to create an integrated war plan for Taiwan.
Also in June, the Chinese foreign ministry objected to “the latest moves by multiple Japanese government officials who had openly referred to Taiwan as ‘a country.’” Following Prime Minister Suga’s reference to Taiwan as one of three countries in a parliamentary debate, Chief Cabinet Secretary Kato Katsunobu replied to China’s complaint by saying that there had been no change in Japan’s basic policy to maintain working relations with Taiwan at the nongovernment level. The Japanese report mentioned only Suga, whereas the Xinhua reports mentioned multiple Japanese officials who described Taiwan as a country. On the same day, the House of Councillors adopted a resolution calling on the World Health Organization to include Taiwan in its general meetings, terming its expertise on coronavirus measures “indispensable.” Writing in China’s leading military newspaper, a Chinese Academy of Social Sciences expert accused Japan of making a “wild bet on the Taiwan card.” He predicted that such actions as sending vaccines to Taiwan and expressing concern about the Taiwan Strait situation in a two plus two meeting with Australia would send Sino–Japanese relations “back to the freezing point.” According to the director of the Institute of Northeast Asian Studies at the Heilongjiang Provincial Academy of Social Sciences, Tokyo is using Taiwan as a bargaining chip to increase its discourse power on the Diaoyu/Senkaku Islands issue and to contain China’s influence in the Asia–Pacific region. Fearing a rupture in China–Japan relations, Tokyo will not formally reverse its one-China policy but will constantly test Beijing’s bottom line. Deputy Prime Minister Aso Taro stated that if China were to invade Taiwan, the move could be interpreted as a threat to Japan’s survival, thereby enabling the SDF to be deployed for collective self-defense under security laws that were enacted in 2015. Global Times responded to Aso’s statement by saying that if Japan involves itself militarily in the Taiwan question it will be “digging its own grave,” and that it would be easy for the People’s Liberation Army to paralyze the SDF’s attack capability.

A film on Chinese television urged that, if Japan intervenes militarily on the side of Taiwan, that should exempt China from its pledge of no first use of nuclear weapons. The film includes several shots of the devastation in Hiroshima after the 1945 atomic bomb blast, of Japanese cruelty to Chinese civilians during World War II, and of the Japanese fleet destroying Chinese warships in 1895. A contributor to Jiefangjun Bao opined that Japanese politicians’ recently abnormal activity on the Taiwan question reflects Japan’s sense of helplessness at China rise, its sense of loss at its declining influence over the Taiwan question, and its sense of fear for its security when China achieves “full reunification.”

In June, the New Zealand Herald reported that a video circulating on official CCP channels warned that if Japan so much as deployed one soldier, plane, or ship in the defense of Taiwan, China would not hesitate to use nuclear weapons “until Japan declares unconditional surrender for the second time.” Global Times compared Japan’s military construction on the islands close to Taiwan to cannon fodder for the US to contain China’s rise. In time of war, those islands would suffer immediate saturation attacks, with China’s DF-17 hypersonic missile very suitable for the task. Japan should focus on doing business with China and drop the illusion of confronting 1.4 billion Chinese people.

Nikkei cited unnamed analysts as saying that Japan’s plan to station anti-aircraft, anti-ship missiles, and hundreds of troops on Ishigaki island, 300 km from Taiwan, is aimed as much at defending Taiwan as Japan, since any attack on Taiwan could quickly spread to Japan’s southern islands.

At the request of the Japanese side, the LDP held virtual security talks with Taiwan’s ruling Democratic Progressive Party (DPP) at the end of August. In response, a spokesperson for the Chinese State Council’s Taiwan Affairs Office admonished Japan to “reflect on its history, immediately correct its mistakes, and abide by the one-China principle and the principles of the four political documents between China and Japan with concrete actions,” adding that “the DPP authority’s” attempt to collude with external forces to seek Taiwan independence was doomed to fail. The talks took place nonetheless. According to a prominent Taiwanese lawmaker, one of the foci was the investment of Taiwanese chipmakers, and specifically that of global leader Taiwan Semiconductor Manufacturing Company (TSMC), into Japan. Eager to bring chip production onshore to strengthen supply chains for national security reasons, Tokyo must first provide sufficient support and incentives to help TSMC and others meet the cost gap. Taiwan wants to participate in the Japan-backed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which Tokyo had said it
would back. US-Japan-Taiwan collaborations were also discussed as well as potential cooperation of “Japan, Taiwan, and a third-place,” but due to the sensitivity of the issue, no further details were given.

People-to-people and humanitarian exchanges continued. In May Yomiuri gave front-page coverage to a ceremony live streamed simultaneously in Tainan and Kanazawa to commemorate the centennial of the start of a dam and irrigation project in southern Taiwan led by an engineer from Kanazawa. Taiwan President Tsai Ing-wen remarked that the project, which transformed the terrain into a major grain-growing area, is particularly meaningful in this time of drought. Kanazawa’s mayor praised “the people of Taiwan” for providing masks and other supplies during the pandemic. Japan also conspicuously donated 1.4 million doses of AstraZeneca vaccine to Taiwan in what Yomiuri described as a carefully orchestrated operation that first sought the approval of the Biden administration and was designed for maximum strategic value. Although sent via the theoretically unofficial Taiwan-Japan Relations Association to avoid charges of violating Beijing’s one-China policy, a Chinese foreign ministry spokesman nonetheless denounced Japan’s “interference into China’s domestic affairs by using anti-virus measures as a political show.” As the delivery date coincided with the anniversary of the June 4 Tiananmen massacre, there was speculation that Tokyo had chosen the date to send a political message.

In another initiative, the Taiwan government announced in July that digital minister Audrey Tang would visit Japan for the July 23 opening ceremony of the Tokyo Olympics to confirm the friendship between the two countries. After being informed by the International Olympic Committee that participants at the opening ceremony are limited to heads of state and governments plus athletes, the Taiwan government canceled the visit. In a voice message, Tang, who speaks excellent Japanese and is popular in Japan for her skillful handling of the pandemic, expressed her hope to visit in the future to contribute to promoting exchanges between Japan and Taiwan. After China banned the import of pineapples from Taiwan to put pressure on its government, there was an immediate surge in orders from Japan that resulted in improving sales, with a Taiwan Council on Agriculture official announcing that “the bleeding was stopped before it even began.”

Conclusions: Implications for the Future

The possibility of improved relations seems dim, with the most likely prognosis being a continuation of managed hostility. Suga announced in the first week of September that he will step down, unsurprising given his low approval ratings, and a new prime minister will take office after LDP elections in late September and national elections in October. Those considered Suga’s likely successors have all indicated their opposition to further incursions by China. The 20th Congress of the CCP is scheduled for fall 2022, with Xi Jinping virtually certain to obtain a third term as party general secretary. The 50th anniversary of the normalization of China-Japan relations at the end of September 2022 might provide an opening for more cordial relations. No high-level exchanges of visitors have been announced, though there are opportunities for conversations on the sidelines of international meetings such as the opening of the United Nations General Assembly session.
**CHRONOLOGY OF JAPAN-CHINA RELATIONS**

**MAY – AUGUST 2021**

**May 1, 2021:** Panasonic reveals plans to outsource production of televisions to its Chinese rival TCK, the world’s largest TV maker.

**May 3, 2021:** Japanese government lodges diplomatic protest against the presence of a Chinese marine research vessel conducting unauthorized research within Japan’s Exclusive Economic Zone, the first confirmed incursion around the Okinawa area since July 2019.

**May 3, 2021:** Documents obtained by Kyodo from the US National Archives reveal the Fukuda administration in April 1978 asked then-US President Jimmy Carter’s government to amend its position of neutrality over the Diaoyu/Senkaku Islands but was rebuffed.

**May 4, 2021:** A report says leading Japanese infrastructure companies such as and NTT and Kyushu Electric Power are replacing Chinese-made drones due to concerns with security.

**May 5, 2021:** US Defense Secretary Lloyd Austin suggests a new concept of integrated deterrence that calls for Japan to assume a role in the numerous chokepoints of the Nansei Islands group.

**May 6, 2021:** A retired GSDF officer urges Japan to develop a deterrent credible enough to convince China that armed clashes over Taiwan would be unproductive and irrational.

**May 7, 2021:** Chinese Foreign Ministry spokesperson Wang Wenbin describes moves by Japan and the United States to make supply chains less reliant on the PRC violations of the principles of fair competition.

**May 7, 2021:** China’s leading military newspaper says that Japan is moving yet further from the defense-only stipulation in its constitution.

**May 9, 2021:** Yomiuri covers a ceremony to commemorate the centennial of the start of a dam and irrigation project in southern Taiwan led by an engineer from Kanazawa.

**May 10, 2021:** ARC21—large-scale joint military maneuvers among Japan, the US, and France—take place for the first time on Japanese soil.

**May 12, 2021:** Annual report of the Japanese Coast Guard reveals that the number of large-sized Chinese Coast Guard vessels has more than tripled over the past eight years.

**May 16, 2021:** For the first time, the Japanese government publicly identifies China as responsible for a cyberattack.

**May 18, 2021:** China denies any connection between its flotilla passing through the Miyako Strait and the joint Japanese, US, French, and Australian exercises that had concluded the day before.

**May 20, 2021:** Yomiuri reports that, with China in mind, Japan will strengthen regulations to prevent the outflow of military-related technology.

**May 20, 2021:** Specifically referencing China’s increased capabilities as well as new areas of warfare such as space, cyber, and electromagnetics, Defense Minister Kishi Nobuo signals the end of Japan’s self-imposed 1% GDP cap for annual defense spending.

**May 28, 2021:** Japanese and EU leaders release a joint statement that “underscored the importance of peace and stability across the Taiwan Strait” and calls for “enhanced cooperation for a free and open Pacific.”

**May 31, 2021:** In response to repeated advances of China’s carrier fleet into the Pacific Ocean, it is reported that Japan’s defense ministry will deploy the Air Self-Defense Force’s mobile radar unit to the Ogasawara Islands to watch for violations of Japanese air space.
June 2, 2021: Director of the Institute of Northeast Asian Studies at the Heilongjiang Provincial Academy of Social Sciences characterizes an LDP-proposed growth strategy linking economic policies and business activities directly to national security as a revival of fukoku kyōhei, the Meiji-era’s call to “enrich the country and strengthen the military.”

June 3, 2021: Suga, speaking at the Pacific Islands Leaders Meeting, urges the 18 nations to unite against authoritarianism and in favor of freedom navigation in the high seas and respect for international law.

June 4, 2021: LDP’s Foreign Affairs Division proposes third update to US-Japan defense guidelines including Japanese participation in freedom of navigation exercises in the South China Sea and a focus on contingencies during a conflict in the Taiwan Strait.

June 4, 2021: Japanese Coast Guard confirms presence of four China Coast Guard vessels in the contiguous zone off the Senkaku/Diaoyu Islands, and that they mark a record 112 consecutive days of such intrusions.

June 4, 2021: Japan’s first shipment of 1.4 million doses of AstraZeneca vaccine arrives in Taiwan, sent via the unofficial Taiwan–Japan Relations Association to avoid charges of violating Beijing’s one China policy.

June 6, 2021: Reports say Japan’s education ministry will ask 14 universities that host Confucius Institutes to provide information on matters like funding, number of participating students, and whether the CI intervenes in research.

June 7, 2021: Tokyo University Professor Sahashi Ryo urges the Japanese government to end its policy of excessive self-imposed restraints on official interactions with Taiwan for fear of offending Beijing.

June 9, 2021: Joint opinion poll by Yomiuri and South Korea’s Hankook Ilbo finds that 88% of Japanese and 72% of South Korean respondents think that the military pressure that China is putting on its neighbors is a threat to their countries.

June 11, 2021: China’s State Council Taiwan Affairs Office objects to “the latest moves by multiple Japanese government officials who have openly referred to Taiwan as ‘a country.’”

June 11, 2021: Chief Cabinet Secretary Katsunobu says there has been no change in Japan’s basic policy to maintain working relations with Taiwan at the nongovernment level.

June 15, 2021: Chinese Academy of Social Sciences expert accuses Japan of making a “wild bet on the Taiwan card.” He predicts that such actions as sending vaccine to Taiwan and expressing concern about the Taiwan Strait situation in a two plus two meeting with Australia would send China–Japan relations “back to the freezing point.”

June 16, 2021: Draft of the Japanese defense military’s 2021 white paper states, for the first time, the strategic importance of Taiwan for Japan’s national security and the stabilization of the international community.

June 17, 2021: Chinese Coast Guard 2301 fleet conducts a patrol in the territorial waters off the disputed Diaoyu/Senkaku islands, the sixth time since the beginning of 2021 such patrols have been publicly announced.

June 17, 2021: Speaking to the European Parliament’s security and defense subcommittee, DM Kishi expresses “serious concern” with China’s steady buildup of its military capacity and lack of clarity about its intentions.

June 17, 2021: In an interview with Bloomberg, Kishi says explicitly that the security of Taiwan is directly connected to that of Japan, and that Tokyo is closely watching China–Taiwan ties as well as Chinese military activity.

June 18, 2021: Two US analysts advocate that Japan respond to increasing Chinese assertiveness by disavowing pacifism and embracing collective defense.

June 25, 2021: Japan ratifies the Chinese-led Regional Comprehensive Economic Partnership.
June 29, 2021: State Minister of Defense Nakayama Yasuhide says it is necessary for countries including Japan and the US to “wake up” to Beijing’s pressure on Taiwan and protect the island as a democratic country.

June 29, 2021: Chinese official Jing Duan, addressing the United Nations Human Rights Council, urges Japan to treat the issue of World War II-era sexual slavery in an honest and responsible manner.

June 30, 2021: A ranking of 15 global cyberpowers by London’s International Institute for Strategic Studies places Japan in the bottom of the three tiers, below China and Russia.

June 30, 2021: Financial Times reports that the US and Japan have been conducting war games and joint military exercises in the event of a conflict with China over Taiwan.

July 2, 2021: Japanese Communist Party is the sole major party in the Diet not to extend its congratulations to the Chinese Communist Party on the centenary of the latter’s founding in 1921.

July 4, 2021: Japan’s Defense Ministry announces plans to increase cybersecurity staff in response to increasingly sophisticated attacks.

July 5, 2021: Director of the Institute of Northeast Asian Studies at the Heilongjiang Provincial Academy of Social Sciences says Tokyo is using Taiwan as a bargaining chip in order to increase its discourse power on the Diaoyu/Senkaku Islands issue and to contain China’s influence in the Asia-Pacific region.

July 5, 2021: Deputy Prime Minister Aso Taro states that if China were to invade Taiwan, the move could be interpreted as a threat to Japan’s survival, enabling the SDF to be deployed for collective self-defense under security laws enacted in 2015.

July 7, 2021: Global Times responds to Aso’s statement by saying that if Japan involves itself militarily in the Taiwan question it will be “digging its own grave.”

July 7, 2021: Twenty-four memorial halls in 14 of China’s provincial-level regions commemorate the 84th anniversary of the full-scale Sino-Japanese War.

July 10, 2021: A film shown on Chinese television urges that, if Japan intervenes militarily on the side of Taiwan, China should be exempted from its pledge of no-first-use of nuclear weapons.

July 13, 2021: Contributor to Jiefangjun Bao opines that Japanese politicians’ recent activity on the Taiwan question reflects Japan’s sense of helplessness at China rise, its sense of loss at its declining influence over the Taiwan question, and its sense of fear for its security when China achieves “full reunification.”

July 13, 2021: Japan’s 2021 defense white paper is released, devoting three times as much coverage to China than to the United States in outlining the defense programs of various nations.

July 14, 2021: Asahi applauds defense ministry’s decision against replacing last year’s “strong national security concern” to “strong national security threat,” but criticizes the review for not specifying what should be done to build a peaceful, stable relationship with the PRC.

July 16, 2021: On the fifth anniversary of the Permanent Court of Arbitration’s judgment against China’s claims in the South China Sea, The Japan Times editorializes in favor of the ruling, calling it a “brick in the wall supporting the rules-based order” that must be supported.

July 17, 2021: Chinese foreign ministry spokesperson Zhao Lijian responds to the publication of Japan’s 2021 defense white paper by admonishing Japan to maintain basic respect for China’s internal affairs.

July 17, 2021: Center-right Yomiuri, noting signs of softening in the Chinese economy such as chip shortages, rising resource costs, a stronger yuan and the ongoing dispute with the US, predicts that a downtrend will likely have a significant negative impact on Japan.

July 18, 2021: New Zealand Herald reports that a video circulating on official CCP channels warns that if Japan so much as deploys one soldier, plane, or ship in defense of Taiwan China will not hesitate to use nuclear weapons.

Aug. 3, 2021: Defense Minister Kishi confirms plans to station an additional 500 to 600 missile defense personnel on Ishigaki, which is close to the disputed Diaoyu/Senkaku Islands and 185 miles from Taiwan.
Aug. 3, 2021: China’s embassy in Australia claims its ambassador “excoriated” his Japanese counterpart at a National Press Club event for downplaying imperial Japan’s wartime atrocities, but a spokesperson for the Japanese embassy denies that the incident took place.

Aug. 5, 2021: Global Times compares Japan’s military construction on the islands close to Taiwan to cannon fodder for the US to contain China’s rise.

Aug. 7, 2021: Japan’s surge in orders of Taiwan pineapples after China banned them results in improved sales, with a Taiwan Council on Agriculture official announcing that “the bleeding was stopped before it even began.”

Aug. 7, 2021: Speaking at the ASEAN Regional Forum, Foreign Minister Motegi Toshimitsu voices Japan’s strong opposition to unilateral attempts to change the status quo in the East and South China seas by force.

Aug. 13, 2021: Prime Minister Suga tells Newsweek magazine that the government should not feel bound by the informal 1% cap of GDP, reinforcing comments by Defense Minister Kishi in May.

Aug. 13, 2021: Asahi takes Nishimura Yasutoshi, head of the central government’s effort against the pandemic, to task for ignoring his own advice by visiting the Yasukuni Shrine during the state of emergency.

Aug. 14, 2021: A second Cabinet member, Defense Minister Kishi, visits the Yasukuni Shrine, eliciting a solemn response from the Chinese government. A spokesperson for China’s defense ministry admonishes Japan to reflect truthfully on its history of aggression and objects to “a lot of negative acts” when dealing with China.

Aug. 15, 2021: China’s Association of Performing Arts calls for a boycott of actor Zhang Zhehan after photos of him visiting Yasukuni Shrine in 2018 and 2019 circulated online.

Aug. 15, 2021: In response to Chinese ships entering Japanese territorial waters near the Senkakus and illegal fishing by Chinese and North Korean vessels, Japan reportedly intends to launch a new surveillance system that identifies suspicious ships by combining artificial intelligence and satellite technology.

Aug. 18, 2021: Japan’s defense ministry announces that it will seek a fiscal 2022 budget of more than ¥5.4 trillion ($49.3 billion) that could surpass the longstanding cap of 1%.

Aug. 18, 2021: Jiji reports that, at the request of the Japanese side, the LDP will hold online talks with Taiwan’s ruling Democratic Progressive Party within the month, the equivalent of the 2-plus-2 security dialogues between governments.

Aug. 18, 2021: Japanese exporter of a motor that converts electrical signals into movements of a machine is prevented from exporting to China over the products’ potential military purposes.

Aug. 19, 2021: Japan’s defense ministry decides not to request funds in the fiscal 2022 budget for a sea-based missile defense system that would also have monitored Chinese naval ships’ advances into waters around Japan.

Aug. 20, 2021: Yomiuri editorializes that the Japanese government needs to rebuild the nation’s research system as soon as possible, since science labs are the new frontline with a rising China.

Aug. 20, 2021: Nikkei cites unnamed analysts who say that Japan’s plan to station anti-aircraft, anti-ship missiles, and hundreds of troops on Ishigaki island, 300 km from Taiwan, is aimed as much at defending Taiwan as Japan.

Aug. 21, 2021: Referencing reports that security talks will be held between the LDP and the DPP, a spokesperson for the Chinese State Council’s Taiwan Affairs Office admonishes Japan and Taiwan’s ruling party.

Aug. 25, 2021: Yomiuri editorializes that China’s buildup of silos, reportedly for the Dongfeng-41 intercontinental missile that would pose a major threat to the United States, goes far beyond its claim to keep nuclear capabilities at the minimum level required.

Aug. 26, 2021: Japan participates in the annual Malabar naval exercise alongside Australia, India, and the US, with Global Times denigrating the operation.
Aug. 27, 2021: In the third consecutive day of Chinese drone sightings, the ASDF scrambles planes after three Chinese military aircraft, one of them an TB-001 unmanned aerial vehicle, enter airspace between the main island of Okinawa and Miyakojima.

Aug. 27, 2021: The first-ever Taiwan-Japan security talks take place. According to a prominent Taiwanese lawmaker, one of the key foci was the investment of Taiwanese chip makers, specifically that of global leader Taiwan Semiconductor Manufacturing Company (TSMC) into Japan, as well as support and incentives Japan would need to provide to help the company meet the cost gap. US-Japan-Taiwan collaborations were also discussed as well as potential cooperation of “Japan, Taiwan, and a third-place,” but due to the sensitivity of the issue, no further details are given.

Aug. 30, 2021: In a potential flashpoint for the Diaoyu/Senkaku Islands dispute, Japanese fishing boats operating in the surrounding waters may face enforcement actions under China’s new Maritime Traffic Safety Law imposing fines on foreign-flagged vessels for sailing in waters it claims as its own.
In the summer months of 2021, the big question for many observers was whether Prime Minister Suga Yoshihide and President Moon Jae-in would hold their first summit meeting during the Tokyo Olympic Games. Cautious hope was in the air, especially on the South Korean side. However, by the time the Olympics opened in late July, any such hope was dashed amid a series of unhelpful spats. Seoul and Tokyo decided that they would not gain much—at least not what they wanted from the other—by holding a summit this summer. With Suga’s announcement of his resignation as head of the Liberal Democratic Party (LDP) at the end of September, barring any sudden turn of events, his tenure as Japanese prime minister will be recorded as one that did not have a summit with a South Korean president.
No Olympic Summit

The Olympic Games can present unique opportunities for leaders to meet despite disagreements in politics. A recent example of this is the PyeongChang Winter Olympic Games in February 2018 when then Prime Minister Abe Shinzo attended the opening ceremony and held a meeting with President Moon. The 2018 Olympics also afforded a new opportunity for North Korea and the United States to engage, while the two Koreas marched together at the opening and closing ceremonies under the Unification Flag. Against the backdrop of stalled relations with Pyongyang, it seemed that Seoul’s hope was to create similar momentum for dialogue with North Korea using the Tokyo Olympic Games. But it was not to be.

In May, before his departure to Washington, DC for a summit with US President Joe Biden, Moon expressed his desire to restore the peace process with North Korea. According to South Korean media, South Korea’s Director of National Intelligence Service Park Ji-won met with Suga in Tokyo, reportedly relaying Moon’s message of wanting to improve relations with Japan. In early June, the International Olympic Committee (IOC) officially confirmed that North Korea would not participate due to “the world health crisis caused by COVID-19.” This was the first time in 33 years that Pyongyang did not attend the Olympic Games; its last absence resulted from having boycotted the Seoul Olympics in 1988.

The debate over whether Moon would attend the Tokyo Olympics drew much attention this summer. In the end, however, there was no Olympic diplomacy, nor any breakthrough in the stalemate in bilateral ties between Seoul and Tokyo. Along with other issues, this outcome reflected disagreements over compensation for wartime forced laborers and the so-called “comfort women”—victims of Imperial Japan’s wartime sexual slavery—which did not show a sign of narrowing.

Until mid-July, the South Korean government was leaning toward Moon visiting Tokyo to talk about these issues during a summit with Suga. The agenda might have also included a discussion of Japan’s export restrictions placed on South Korean companies since 2019 and Japan’s decision to release treated wastewater from the Fukushima plant into the Pacific Ocean. In early July, South Korea’s Blue House official said, “if we anticipate a South Korea-Japan summit and something coming out of it, then we would be willing to consider a visit to Japan.”

Japan’s government views a summit with Moon as tied to its position that the South Korean government should first present concrete measures to address the issues of wartime forced laborers and the comfort women. When asked whether he would hold a summit with Moon if the South Korean leader visits Tokyo for the Olympics, Suga said it was “obvious that a respectful response should be accorded in diplomatic terms.” During the same press conference, to explain a state of emergency for Tokyo due to COVID-19, Suga said, “In order for these issues between Japan and South Korea to be resolved, it is important that South Korea responds responsibly.”

Leading up to the South Korean announcement on July 19 that President Moon would not visit Tokyo, it was clear that the atmosphere surrounding discussions and coordination of meetings between the two leaders was not great. In early June, Moon and Suga had a brief encounter during the G7 summit in London, their first in-person interaction since Suga took office. However, reports from South Korean media cited South Korea’s Foreign Ministry and other officials saying that Tokyo unilaterally canceled a pull-aside between Moon and Suga on the sidelines of G7. This was countered by Japan’s Chief Cabinet Secretary Kato Katsunobu as “contrary to the facts.” After the G7 summit, Suga reiterated his position and said, “South Korea needs to point the way. I hope that Moon will exercise his leadership and clearly settle this problem.” President Moon wrote on Facebook that the encounter with Suga was “a valuable occasion which may serve as a new beginning in Korea-Japan relations,” and said it was “regrettable that it didn’t lead to a summit.”
In July, before the South Korean government had announced the final decision on Moon’s visit to Tokyo, Japanese media cited a source from the Prime Minister’s Office saying that Suga’s meeting with Moon would be kept to around 15 minutes—“cut short.” A South Korean Ministry of Foreign Affairs official, in a text message to Korean reporters, said that South Korea expresses “deep dismay over the content of discussions between our two countries’ diplomatic authorities recently being leaked unilaterally to the press.”

Announcement of the Blue House decision to not visit came after remarks by Deputy Chief of Mission at the Japanese Embassy in Seoul Soma Hirohisa. When asked by a South Korean reporter about the chances of a summit between Japan and South Korea during the Olympics, Soma reportedly said, in a combination of Korean and English, that Moon was “masturbating” when it came to improving relations with Tokyo and that Japan “does not have the time to care so much about the relationship between the two countries as Korea thinks.”

Japanese Ambassador to Korea Aiboshi Koichi issued a statement that reads, “I was told by Soma that it was true that he used the expression that has been reported in the news, but that this was never a statement about President Moon Jae-in and that Soma withdrew it after saying it, stating it was an inappropriate remark,” adding that it was “extremely inappropriate coming from a diplomat and I am very regretful for it.” South Korea’s First Vice Minister Choi Jong-kun summoned Aiboshi and strongly protested Soma’s remarks. Choi said in a statement that “we have asked the Japanese government to take prompt and appropriate measure to prevent the recurrence of such an incident.” Japan’s Chief Secretary Kato Katsunobu said that “the remarks were very inappropriate.” Soma was ordered to return to Japan.

It appears that South Korea kept the door open for engagement with Japan. The South Korean press secretary’s announcement that Moon would not visit Japan said, “As the Tokyo Olympics is a peaceful festival for all people around the world, we hope that Japan will host it safely and successfully.” In August, Moon’s speech on the occasion of the 76th anniversary of independence from Japan’s colonial rule signaled a desire to overcome bilateral problems. He said that South Korea aims to tackle historical issues consistent with universal values and international standards.

Unsurprisingly, the Olympics became a site for contentious politics of symbolism. South Korea’s Olympic committee displayed the banner “I still have 12 battleships left” in the Olympic village accommodation center, words that depict the victory of Yi Sun-sin, a general in 16th-century Korea who fought and defeated invading Japanese forces during the Imjin War (1592–1598) launched by Japan’s then-ruler Hideyoshi Toyotomi. The IOC ruled that the banner was against Rule 50 of the Olympic Charter that stipulates “no kind of demonstration or political, religious or racial propaganda is permitted in any Olympic sites, venues or other areas.” South Korea’s Olympic committee said that in return for the banner’s removal, the IOC promised that Japanese rising sun flags will be banned from Olympic event areas.

Dispute over Dokdo/Takeshima Islands

The disputes over the Dokdo/Takeshima islets also found a place in the Tokyo Olympic Games. South Korea protested a map on the Tokyo Olympics’ website that presented the islands as part of Japanese history. In early June, South Korea’s Ministry of Culture, Sports and Tourism and the Korean Sports and Olympic Committee sent a letter to IOC requesting its “active mediation.” South Korea’s Ministry of Foreign Affairs summoned the Deputy Chief of Mission at the Japanese Embassy Soma Hirohisa to lodge a protest. This row over an Olympic map on the Olympics website led some South Korean politicians to call for a boycott of the Tokyo Games. South Korea’s Foreign Ministry Spokesman Choi Yong-sam said that the
government was not considering a boycott over this issue.

Some believed the map infuriated the South Korean public because South Korea did not include the Dokdo/Takeshima islands in a flag of the Korean Peninsula, the Unification Flag, used in the opening ceremony in the 2018 PyeongChang Olympic Games. According to Shawn Ho, the earlier version of the Unification Flag in the 2006 Winter Olympics in Italy and the 2007 Asian Winter Games in China included the islands as Korean territory. But the 2018 Winter Olympics in PyeongChang did not include the islands most likely in consideration of relations with Japan.

In mid-June, the South Korean military conducted annual drills surrounding the Dokdo/Takeshima islands. South Korea has conducted these exercises twice a year since 1986. Japanese Cabinet Secretary Kato said that they were “unacceptable and extremely regrettable,” calling for their halt. Many in South Korea speculated that Suga avoided meeting with Moon during the G7 summit because of the drills. Meanwhile, Japan’s Defense White Paper 2021 presented to a session of the Japanese Cabinet in July describes the Dokdo/Takeshima islands as “inherent parts of the territory of Japan.” South Korea’s Ministry of Foreign Affairs protested Japan’s territorial claim over the islands and called for its withdrawal.

Forced Laborers and “Comfort Women”

Disputes over wartime forced laborers and the comfort women continued along with court rulings in South Korea over the summer. On June 7, the Seoul Central District Court dismissed the claim by former Korean wartime forced laborers and their families in a suit against 16 Japanese companies. The defendants included Mitsubishi Heavy Industries Ltd., Nippon Steel Corp., Mitsui E & S Holdings Co., ENEOS Corp., Sumitomo Metal Mining Co. and Mitsubishi Materials Corp. By June 9, over 200,000 people signed a petition with the Blue House calling for impeachment of Seoul District Court judge Kim Yang-ho. In a separate case, South Korea’s Supreme Court had ruled in October 2018 that Nippon Steel and Mitsubishi Heavy Industries pay damages to the plaintiffs.

On August 12, South Korean Suwon District Court Anyang branch approved the seizure of Mitsubishi Heavy Industries’ assets held in South Korea to pay for wartime forced labor. Chief Cabinet Secretary Kato responded, “If it’s liquidated, that would push Japan–South Korea relations into a serious situation. It must be avoided,” urging Seoul to “present a solution that is acceptable to Japan.” South Korea’s Ministry of Foreign Affairs said it was in talks with Japan to find a “reasonable solution” in ways that would consider the victims’ legal rights.

On June 9, the Seoul District Court ordered the Japanese government to disclose the assets in South Korea to cover the legal fees of former comfort women. This order followed the Japanese government’s refusal to comply with an earlier court order on Jan. 8 to pay $100 million won (about $90,000) each in a lawsuit filed by 12 plaintiffs citing state immunity. The trial had proceeded with the defendants in absentia.

July 14 marked the 1,500th Wednesday demonstration for comfort women; the first demonstration was in January 1992. In light of Level 4 social distancing measures in Seoul, it was conducted as a one-person demonstration, broadcast live on YouTube, calling for the Japanese government’s official apology and acceptance of full legal responsibility toward victims. The demonstration was organized by Korean Council for Justice and Remembrance for the Issues of Military Sexual Slavery by Japan along with 1,565 citizens from 14 countries.

Against the backdrop of these court rulings, Japan’s ways of remembering—and forgetting— involving the United Nations Educational Scientific and Cultural Organization (UNESCO) received public attention in South Korea. The UNESCO World Heritage Committee issued a report that the Tokyo Industrial Heritage Information Centre does not provide sufficient information about wartime forced laborers at the UNESCO World Heritage site Hashima Island in Japan. The conclusions of the Report of the UNESCO/ICOMOS mission to the Industrial Heritage Information Center section of the report WHC/21/44.COM/7B.Add.2 reads: “The mission has therefore concluded that the interpretive measures to allow an understanding of [the large number of Koreans and others who worked at the industrial sites] brought against their will and forced to work are currently insufficient.” According to Joongang Ilbo, a South Korean Ministry of Foreign Affairs official urged Japan to take appropriate measures.
Dispute over Fukushima Waste Water

In addition to disputes over history and territory, Japan’s planned release of 1.25 million tons of treated wastewater from the Fukushima plant into the Pacific Ocean took space on the bilateral agenda, incurring strong protests from Seoul. In early May, during an in-person meeting between the foreign ministers of Japan and South Korea in London, Chung Eui-yong conveyed to Motegi Toshimitsu South Korea’s deep concern about Japan’s plan. In June, the Korean National Assembly adopted a resolution condemning Japan’s plan, stating that it “strongly condemns the Japanese government’s unilateral decision to release Fukushima’s contaminated radioactive wastewater into the sea and urges the immediate withdrawal of that decision.”

After Japan’s decision in April, South Korea’s approach included bringing the issue to the international stage. South Korean Minister of Health and Welfare Kwon Deok-chul, in his keynote speech for the 74th World Health Assembly, argued the international community should share information regarding public health threats, making the case that the release “should not happen without adequate prior discussions with interested parties.”

Building on consultations with the two governments, the International Atomic Energy Agency (IAEA) international committee was formed. Made up of experts from 11 countries—including the United States, France, China, and South Korea—it will monitor the safety of water release at Fukushima Daiichi, while reviewing Japan’s implementation of the plan. Japan and the IAEA have been working together to address the aftermath of the Fukushima Daiichi incident in the last 10 years. IAEA Director General Rafael Mariano Grossi said, “IAEA experts will be able to verify that the water discharge is conducted safely,” noting that this is “of paramount importance to reassure people in Japan and elsewhere in the world, especially in neighboring countries, that the water poses no threat to them.”

North Korea and US–Japan–South Korea Cooperation

Washington has sought to tighten trilateral cooperation with Seoul and Tokyo on North Korea and other regional issues, but the link between Japan and South Korea has not grown stronger despite the Biden administration’s diplomatic initiatives and expectations. In early May, US Secretary of State Antony Blinken, the Japanese foreign minister, and South Korea’s foreign minister met on the sidelines of the G7. They discussed the recent US review of North Korea policy, aiming to deal with North Korea through a gradual approach using diplomacy, rather than the previous administration’s attempt at a comprehensive deal between leaders. The Japanese and South Korean foreign ministers also met on the sidelines of the G7, but this yielded no progress.

In July, US Deputy Secretary of State Wendy Sherman, South Korean Vice Foreign Minister Choi Jong-kun, and Japanese Vice Foreign Minister Mori Takeo met to discuss North Korea policy. The last such deputy-secretary level meeting was in October 2017. Sherman said that the US was “ready to engage with North Korea and they know that,” sending the message that “we are together and shoulder-to-shoulder in our approach to this policy.” They agreed to meet on a regular basis, exemplifying the Biden administration’s approach to North Korea at the working level.
Looking Ahead

Until about 10 years ago, the inauguration of a new leader in Japan or in South Korea offered an opportunity to start bilateral ties, frayed over historical issues, anew. This time, however, the chances of a new Japanese leader bringing about a change in Japan's approach to South Korea seem dim. At least three developments point to the status quo for the remainder of 2021. First, who becomes the next leader of Japan will matter. There is concern that skepticism about bilateral relations runs deep among political leaders and in foreign policy circles in Japan.

Second, political leaders in both countries will take into account public sentiment and opinions. According to Yomiuri Shimbun and Hankook Ilbo surveys in May, 69% of Japanese respondents and 80% of South Korean respondents said that they could not trust the other. The poll also showed that 81% of Japanese respondents and 89% of South Korean respondents considered Seoul–Tokyo relations to be “bad.”

Third, a push for trilateral coordination between Seoul, Tokyo, and Washington toward North Korea policy may bring Japan and South Korea closer. As it stands, however, the Biden administration’s emphasis on a “practical” approach and achievable goals toward Pyongyang’s nuclear and missile development programs does not require Japan to consider major revisions to its existing stance on North Korea.
CHRONOLOGY OF JAPAN-KOREA RELATIONS

MAY – AUGUST 2021

May 3, 2021: South Korean Finance Minister Hong Nam-ki solicits cooperation among South Korea, China, and Japan for regional economic recovery and mitigation of emerging risks during ASEAN +3 virtual meeting.

May 3, 2021: US Secretary of State Antony Blinken holds separate bilateral talks with Japanese Foreign Minister Motegi Toshimitsu and South Korean Foreign Minister Chung Eui-yong at the G7 summit in London.

May 5, 2021: FM Motegi, FM Chung, and Secretary Blinken hold trilateral talks at G7 summit.


May 14, 2021: South Korea’s Ministry of Foreign Affairs expresses concern about the discharge of contaminated Fukushima Daiichi nuclear power plant water in press statement.

May 20, 2021: During a meeting with South Korean President Moon Jae-in, US House of Representatives Speaker Nancy Pelosi discusses denuclearization of North Korea, climate change, the pandemic, and the US–ROK alliance on Capitol Hill. Pelosi also expressed a desire for justice for comfort women victims.

May 25, 2021: South Korean Minister of Health and Welfare Kwon Deok-chul asks for an increase in COVID-19 vaccine production and a close examination of Japan’s plan to discharge Fukushima Daiichi nuclear power plant water into the ocean.

May 26, 2021: More than 60 South Korean organizations announce formation of Joint Action for Stopping the Ocean Release of Radioactive Water, a coalition advocating for withdrawal of Japan’s decision to discharge nuclear power plant water into the ocean during a press conference at the Korean Confederation of Trade Unions Seoul office.

June 1, 2021: South Korea’s Ministry of Foreign Affairs calls in Japanese Deputy Ambassador Soma Hirohisa to express disapproval of the display of the Takeshima/Dokdo Islands as Japanese territory on the Tokyo Olympics Organizing Committee website.

June 4, 2021: South Korean Ministry of Trade, Industry, and Energy reports that 15% of South Korean materials and components imports between January and April 2021 came from Japanese.

June 5, 2021: Korean President Moon and Japanese Prime Minister Suga Yoshihide have their first in-person discussion, during the G7 summit in London, since Suga entered office.

June 5, 2021: Yomiuri Shimbun and Hankook Ilbo release survey showing that for the third year in a row more than 80% of respondents in Japan (81%) and South Korea (89%) indicate that ROK–Japan relations are “bad”; 69% of respondents in Japan indicated they could not trust South Korea and 80% of respondents in South Korea indicated they could not trust Japan.

June 7, 2021: Seoul District Court Judge Kim Yang-ho dismisses a lawsuit for compensation from 16 Japanese companies filed by 85 South Korean victims of forced labor.

June 8, 2021: International Olympic Committee confirms that North Korea will not participate in the Summer Olympics for the first time in 33 years.

June 9, 2021: Seoul Central District Court judge Nam Seong-woo orders government of Japan to disclose assets held in South Korea after Japanese government’s refusal to comply with court order to pay 100 million won in lawsuit filed by 12 “comfort women.”
June 9, 2021: A petition filed with the Blue House seeking impeachment of Seoul District Court judge Kim Yang-ho after dismissal of forced labor lawsuit accrues more than 200,000 signatures.

June 15, 2021: South Korean armed forces hold East Sea Territory Protection Exercise military drill near Liancourt Rocks. During a press conference, Japanese Cabinet Secretary Kato Katsunobo says, “This sort of drill is unacceptable and extremely regrettable.”


June 27, 2021: Korean Automobile Manufacturers Association report shows that in 2020, South Korea imported 46,000 US cars, surpassing Japanese car imports to become the second highest source of imported cars after Germany.

June 29, 2021: South Korea’s National Assembly Foreign Affairs and Unification Committee passes unanimous resolution requesting that the government of Japan work with the International Atomic Energy Agency and South Korea to confirm safety of plan to release treated Fukushima Daiichi nuclear power plant water into the Pacific Ocean.


July 8, 2021: During a COVID-19-related press conference in Tokyo, Japanese Prime Minister Suga addresses question about Japan–ROK summit during the Summer Olympics and says, it is “obvious that a respectful response should be accorded in diplomatic terms.”


July 14, 2021: Demonstrators gather for the 1,500th Wednesday protest of unresolved comfort woman issues outside of the prior location of the Japanese embassy in Seoul.

July 16, 2021: Deputy Chief of Mission at the Japanese embassy in South Korea Hirohisa tells South Korean news reporter that “President Moon is masturbating himself” in response to a question regarding potential ROK–Japan summit during the Tokyo Olympics.

July 17, 2021: South Korea Olympic committee states that banners referencing war between Korea and Japan that were deemed provocative by the International Olympic Committee have been removed from the Olympic village accommodation center after the IOC promised that Japanese rising sun flags will be banned from Olympic event areas.

July 17, 2021: South Korean First Vice Foreign Minister Choi Jong-kun summons Japanese Ambassador Aiboshi Koichi to express disapproval of remarks by Japanese Deputy Chief of Mission Soma about South Korean President Moon.

July 19, 2021: South Korean Press Secretary Park Soo-hyun announces that President Moon will not attend the Tokyo Olympics and states, “As the Tokyo Olympics is a peaceful festival for all people around the world, we hope that Japan will host it safely and successfully.”
July 21, 2021: US Deputy Secretary of State Wendy Sherman meets South Korean First Vice Foreign Minister Choi Jong-kun and Japanese Vice Foreign Minister Mori Takeo in Tokyo to discuss policy toward North Korea.

July 22, 2021: South Korean Ministry of Foreign Affairs states that the UNESCO World Heritage Committee adopts resolution indicating that the government of Japan has not provided sufficient acknowledgement of Korean forced labor victims at the information center for UNESCO World Heritage site Hashima (Gunkanjima) Island in Japan.

July 23, 2021: Gallup Korea opinion poll indicates that 66% of South Koreans have no interest in the Tokyo Summer Olympic games, and only 32% of South Koreans are interested.

Aug. 2, 2021: Japanese newspaper Nikkei Shimbun reports that Japanese Deputy Chief of Mission Soma has been recalled to Japan due to offensive remarks about President Moon.

Aug. 12, 2021: South Korean Suwon District Court Anyang branch orders seizure of Mitsubishi Heavy Industries assets held by South Korean manufacturer LS Mtron valued at 850 million won ($725,000) in connection with forced labor compensation.


Aug. 15, 2021: On the 76th anniversary of Korean independence from Japanese rule, President Moon states that his country always leaves the door open for dialogue with Japan.

Aug. 19, 2021: Japanese Chief Cabinet Secretary Kato says that liquification of Japanese assets “will be a very serious situation for Korea-Japan relations” and “should be avoided” in response to questions regarding seizure of Mitsubishi Heavy bonds.


This chronology was prepared by Patrice Francis, MA student at American University's School of International Service.
The summer of 2021 may be the best and worst time for Russia-China relations. There was much to celebrate as the two powers moved into the third decade of stable and friendly relations, symbolized by the 20th anniversary of both the Shanghai Cooperation Organization (SCO) and the “friendship treaty” (The Treaty of Good-Neighborliness and Friendly Cooperation Between the People’s Republic of China and the Russian Federation). This historical moment, however, paralleled a hasty and chaotic end to the 20-year US interlude in Afghanistan with at least two unpleasant consequences for Beijing and Moscow: a war-torn Afghanistan in their backyard with an uncertain future and worse, a United States now ready to exclusively focus on the two large Eurasian powers 30 years after the end of the Cold War. As the Afghan endgame rapidly unfolded in August, both sides were conducting large exercises across and around Eurasia. While Afghanistan may not again serve as the “graveyard of empires” in the 21st century, but then end of the US engagement there, however, will usher in an era of competition, if not clashes, between rival empires.
Friendship Treaty 20 Years After

On June 28, Russian President Vladimir Putin and Chinese counterpart Xi Jinping held a video conference, reaffirming their “best-ever” ties. Their chief concern was extending the China–Russia “friendship treaty” for another five years. Relations between Russia and China “set an example for the formation of a new type of international relations,” said Xi. Putin noted that the treaty elevated bilateral relations to “an unprecedented height and ... make them an example of 21st-century interstate cooperation.”

A joint statement was released for the 20th anniversary of the friendship treaty, which has anchored post–Soviet Russia–China relations in the key areas of border stability, noninterference in domestic politics, nuclear strategy (non-first use of nuclear weapons against each other and not targeting nuclear weapons against each other), etc. The statement summarized the 20-years of experience of the relationship and mapped future tasks. The current relationship between Moscow and Beijing is “mature, constructive and sustainable ... representing a model of harmonious coexistence of the States and mutually beneficial cooperation between them.” The statement dismissed the view that the two are moving toward a Cold War-style military alliance yet insisted that current relations “exceed” alliance by being non-opportunistic, non-ideological, non-interfering, self-sufficient, and not directed against third countries. The border issue was “completely resolved” and the two countries “have no mutual territorial claims,” and “Russia is interested in a stable and prosperous China and China is interested in a strong and successful Russia.”

The document dealt with various aspects of bilateral ties: economics (part 5), integration of China’s Belt and Road Initiative (BRI) and Russia’s Greater Eurasian Partnership (part 6), and societal exchanges (part 7). More than half the 5,800-word document (in the Chinese version) is devoted to global affairs. In contrast, the original friendship treaty in 2001 was under 3,000 words, mostly covering bilateral issues. Twenty years later, the Xi–Putin statement covers a much wider range of global issues, including non-interference in internal affairs, the role of the UN and WTO, public health, nuclear weapons, outer space, chemical–biological weapons conventions, cybersecurity, terrorism, multilateralism, and more. “As global turbulence intensifies, the relevance of Russian-Chinese strategic cooperation increases,” said the statement. Specifically, the document notes the mutual support of each other’s foreign policy goals: China’s “community of shared future for humanity” and Russia’s “fair multipolar system of international relations.”

For Russian and Chinese political elites, the focus on global affairs in the joint statement reflects a much–changed world since it was signed 20 years ago. Less than two months after the signing of the friendship treaty on July 16, 2001, the world was forever changed by the 9/11 attacks, leading to the US intrusion into Central Asia. Both Putin and then-Chinese President Jiang Zemin pledged support, ahead of any US allies, for US counterterror operations. Fast forward to 2017, China and Russia found themselves atop the list of US strategic competitors, ahead of threats like North Korea, Iran, and other transnational terrorist groups, according to Trump’s first National Security Strategy.

Given the changes and fluidity in their strategic environment, the 2021 statement of the China–Russia friendship treaty reflects an enhanced mutual desire for closer coordination in foreign and security policies. Interestingly, military cooperation (part 4) was prioritized ahead of other functional areas and the two militaries will increase the frequency and scope of their joint exercises and exchanges.

Throughout the past few months, senior diplomats interfaced on various occasions, including two meetings of defense ministers. In late May, Moscow hosted the 16th China–Russia strategic security consultation, co-chaired by Nikolai Patrushev, secretary of the Russian Security Council, and Yang Jiechi, member of the Communist Party Politburo. The two “had an in-depth exchange of views and reached broad consensus on China–Russia relations and a number of major issues regarding global security and strategic stability,” noted Xinhua.

Putin, who was in Sochi, talked to Yang over the phone. “Russia is firmly committed to developing the comprehensive strategic partnership of coordination with China at a high level and is willing to strengthen strategic coordination between the two countries,” said the Russian president.
Putin’s call was two days after a video conference with Xi on May 19. The two heads of state presided over, via videoconference, a ceremony to launch the construction of four nuclear power units (the seventh and eighth power units at the Tianwan NPP and the third and fourth power units at the Xudapu NPP) in China with a total contract of $3.6 billion. COVID did not seriously delay these multi–billion–dollar energy projects. Once operational, these power units would produce 37.6 billion kWh per year, equivalent to an annual reduction of 31 million tons of CO2 emissions.

As the summer continued, the Taliban’s stunning takeover of Afghanistan produced a huge uncertainty for regional stability. On Aug. 25, Putin and Xi had an in-depth telephone conversation on the Afghan problem, and agreed to use the SCO “as much as possible” for regional security.

SCO’s 20th Anniversary:

June was the SCO’s 20th anniversary. In his video speech to the reception in Beijing on June 15, Chinese Foreign Minister Wang Yi noted that the regional group had blazed a cooperation and development path that suits regional conditions and meets the needs of all parties. He also called for joint efforts in the areas of economy, security, public health, societal exchanges to accelerate the building of “a community with a shared future.”

Originally set up in 1996 as the “Shanghai Five” (China, Kazakhstan, Kyrgyzstan, Tajikistan, and Russia) for post–Soviet border security management, the informal forum added Uzbekistan in 2001 and morphed into the SCO with an expanded mission of regional security with an explicit goal of combating terrorism, separatism, and extremism. In the post–9/11 decades, the SCO weathered geostrategic changes (the huge US presence in and around Afghanistan), domestic disturbances (“color revolutions,” et al), and the diverse political, cultural, and economic backgrounds of its members. The SCO gradually expanded its cooperation in security (military exercises) and economic functions (China’s Belt and Road Initiative and Russia’s Eurasian Economic Union). With a headquarters in Beijing and a Regional Anti–Terrorist Structure (RATS) in Tashkent of Uzbekistan, the SCO added India and Pakistan as full member–states in 2017, along with four observer states (Afghanistan, Belarus, Iran, and Mongolia) and six dialogue partners (Armenia, Azerbaijan, Cambodia, Nepal, Sri Lanka, and Turkey).

At its 20th anniversary, the SCO remains a viable regional forum despite the COVID hindrance. April–August saw numerous SCO activities in foreign policy, finance, security, hi–tech parks, transportation, industry, science and technology, tourism, law enforcement, environment, anti–drug, agriculture, public health, sports, women, think tanks, youth, media, etc. The annual foreign ministerial meeting in Dushanbe, Tajikistan on July 14 agreed to grant the status of dialogue partner to Egypt and Saudi Arabia, to be finalized in the September SCO summit. SCO member states already covered more than 70% of the Eurasian landmass and about 50% of the world’s population. Dialogue partner status is the first step toward full membership. In Dushanbe, Foreign Minister Wang Yi made several proposals for the SCO’s development by closer coordination in security, public health, development, and foreign policy.

There was, however, little mood for celebration at the SCO’s 20th anniversary. As the endgame in Afghanistan accelerated, developments there dominated the annual foreign minister gathering. After a meeting with Afghan Foreign Minister Mohammad Haneef Atmar as part of the SCO–Afghanistan Contact Group, a joint statement was issued, calling for peace and stability in the war–torn country. "We believe that reaching an early settlement in Afghanistan is a major factor in maintaining and strengthening security and stability in the SCO space. “We confirm the position of the SCO members that the conflict in Afghanistan can only be settled by political dialogue and an inclusive peace process conducted and led by the Afghans themselves," the statement added.

The SCO’s statement, however, could hardly keep pace with events on the ground.

The Afghan Endgame

Despite deepening geopolitical rivalry between China, Russia, and the US, Afghanistan remained a rare case of overlapping interests among the three powers, hoping for a soft–landing. Since 2019, they had worked together in the format of an extended “Troika” group for a peaceful settlement in Afghanistan. For Moscow and
Beijing, the US military footprint in Afghanistan was regarded as a geopolitical threat but also a useful cap on Islamic militancy in their “backyard.” Both hoped for a US departure only after a sustainable and peaceful deal between various players in and out of Afghanistan so that the country would not become a terrorist safe haven again.

Beijing and Moscow were taken back by the speed and style of the Afghan endgame. On May 11, US forces left the massive Kandahar Airfield without informing the Afghan side. On July 5, Bagram Airfield 60 km north of Kabul was vacated in the same manner. On Aug. 15, Afghan President Ghani fled Kabul as Taliban forces took over the capital. China and Russia have no option but to live with an Afghanistan with an unclear political future. Their approaches to the Afghan issue, however, were quite different, as China was more actively engaging different players both inside and outside Afghanistan.

Wang, speaking to the 2nd C+C5 foreign ministerial meeting (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan + China) in the Chinese city Xi’an on May 11, warned that “foreign troops should withdraw from Afghanistan in an orderly and responsible manner to prevent any hasty action from adversely affecting and seriously interfering with the peace and reconciliation process in Afghanistan.” It was unclear if Wang was aware that US forces were in the process of completely leaving the Kandahar Airfield. A few days later, the Chinese foreign minister informed his Afghan counterpart that China “is willing to host intra-Afghan talks and help the anti-terrorism effort.” Wang repeated the offer in mid-July during the SCO foreign ministerial meeting in Dushanbe.

While intensifying diplomatic activities regarding Afghanistan, China was perhaps the first to urge (on June 19) that its citizens leave the country as early as possible via commercial flights. It was against this backdrop that Wang paid an official visit to the frontline country of Tajikistan on July 14 before joining the SCO foreign ministerial meeting in Dushanbe and a meeting with Russian Foreign Minister Lavrov the following day in Tashkent. This was followed by Xi’s telephone talk to Afghan President Ghani on July 16. Xi urged an “Afghan-led and Afghan-owned political dialogue for national reconciliation and peace process.” He also promised more assistance for fighting against COVID and hoped for more protection of Chinese citizens and organizations in Afghanistan.

Xi’s talk with Ghani came 10 days after the sudden departure of US forces from Bagram Airfield and a new deadline for full US troop withdrawal to Aug. 31, leading to the collapse of the Afghan Army across the country from late July. On July 28, Wang met with Taliban political chief Mullah Abdul Ghani Baradar in north China’s Tianjin. “The sudden withdrawal of forces by the United States and NATO from Afghanistan marks the failure of the United States’ Afghanistan policy, and Afghan people now face an important opportunity to stabilize and develop their own country,” Wang told the Taliban chief.

Figure 1 Chinese State Councilor and Foreign Minister Wang Yi meets with Mullah Abdul Ghani Baradar, political chief of Afghanistan’s Taliban, in north China’s Tianjin, July 28, 2021. Photo: Xinjua/Li Ran

Baradar hoped that China would be more involved in Afghanistan’s peace and reconstruction process, and play a bigger role in the country’s reconstruction and economic development. Wang stated that the Taliban should draw a clear line from the East Turkestan Islamic Movement (ETIM) and other terrorist groups. In reply, Baradar promised that the Afghan Taliban would “absolutely not allow any forces to do anything harmful to China in Afghanistan’s territory.”

The Baradar visit was not the first Taliban group to travel to China. There were contacts between the Taliban and China before 9/11, which had been suspended for a few years when China supported the Northern Alliance in the aftermath of Sept. 11. China, however, has never defined the Taliban as a terrorist group. As the moderate
faction of the Taliban stopped supporting the East Turkestan Islamic Movement, Taliban members “routinely” visited China, according to Chinese sources. The Tianjin meeting was the first publicized visit.

China’s proactive diplomacy was driven by both security (Xinjiang) and economic (all Afghan neighbors are BRI–related countries) interests. The two are integrated. This was the case in the terrorist bombing on July 14, killing nine Chinese workers bussed to the Dasu Hydropower Project in Pakistan’s northwestern Khyber Pakhtunkhwa province, which is part of China’s BRI activity in Pakistan.

Beyond the BRI, China, as an Afghan neighbor, is connected with the war–torn country by a 92–km border at the eastern tip of the 300–km Wakhan valley. China reportedly provided $70 million in military aid to Afghanistan in 2016–18 and helped the Afghan military create a mountain brigade in the corridor specifically for anti–terror purposes. Beyond that, China has had inputs into Afghanistan during the 20–year US occupation, including billions of dollars in economic assistance, assorted projects such as schools, hospitals, and apartments, as well as food assistance and the training of thousands of Afghan students and technical personnel both in China and Afghanistan. Since 2017, China, Afghanistan, and Pakistan have discussed the possibility of extending the China–Pakistan economic corridor to Afghanistan. Meanwhile, some large economic projects—the $4 billion contract of the Anyak copper mine in 2008 and the 2011 contract for the Amu Darya Basin oil and gas field—remain idled due to security concerns.

Unlike China, Russia continued, from February 2003, to regard the Taliban as a terrorist group. That, however, did not stop Russia from engaging them. "We are talking with all the more or less significant political forces in Afghanistan: both with the government and with the Taliban and with the representatives of Uzbeks, Tajiks, with everyone," noted Russian Foreign Minister Lavrov on Aug. 13. In fact, Taliban representatives visited Moscow as early as November 2018 for a Russia–sponsored “peace conference.” They also did so twice in 2021 (March 18 and July 8) to attend the Troika consultations, apparently a favorite platform for Russia. Two days before the Taliban takeover of Kabul, Lavrov envisioned an expanded Troika including Iran and India, in addition to Pakistan. Beyond Afghanistan, Russia has invested significant resources in Central Asia, where it holds considerable sway in the security area (Collective Security Treaty Organization, CSTO; and the Commonwealth of Independent States, CIS).

Developments in Afghanistan complicated broader relations with the US as Lavrov and Blinken met on May 19 in Reykjavik to prepare for Biden–Putin talks in mid–June. For the Kremlin, the Afghan issue should be handled in light of relations with Washington. Russia has traveled a long way from its strategic decision to allow its Central Asian allies to host US forces (Uzbekistan’s Karshi–Khanabad base, closed in 2005; and Kyrgyzstan’s Manas base, closed in 2014) and its own contribution to the NATO operations in Afghanistan via the Northern Distribution Network (2009–2015). With the end of the US military footprint in Afghanistan,
however, Russian officials publicly dismissed the possibility of hosting US forces in CSTO states. Instead, Russia chose to reinforce its military base in Tajikistan in late July and conducted an exercise on Aug. 5–10 with Tajik and Uzbek forces in Tajikistan just 12 miles from the Afghan border.

China, too, activated its security mechanism with Tajikistan. On Aug. 18–19, Chinese and Tajik internal security forces ran an exercise code-named “Anti-terror Coordination-2021” in Dushanbe. Meanwhile, China and Russia ruled out any possibility of direct military intervention into Afghanistan. On July 28, Russian and Chinese defense ministers met on the sideline of the SCO annual defense ministers meeting in Dushanbe, which focused on the Afghan issue. In September, SCO will run its “Peace Mission-2021” anti-terror exercises in Russia’s Central Military District.

In the UN, Russia and China coordinated to abstain from voting on a US-sponsored Afghanistan resolution on Aug. 30 calling on the Taliban to allow safe passage for those seeking to leave Afghanistan. While Chinese UN envoy Geng Shuang said the US and its allies left behind a “huge catastrophe while shifting the blame and responsibility to Afghans’ neighboring countries,” Russian Ambassador Vassily Nebenzia complained that the resolution failed to incorporate Russia’s concerns about the “brain drain” effect of evacuating Afghans and didn’t address the issue of US freezing the Afghan government’s US accounts.

Russian and Chinese abstention in the UN votes left the door open for future UN roles in Afghanistan. China’s official media Xinhua, for example, did not mention Chinese and Russian abstention. Three days before the UN resolution, the Chinese Defense Ministry announced that China will hold its first multinational peacekeeping live exercise, "Shared Destiny-2021," on Sept. 6–15 in central China. More than 1,000 troops from China, Pakistan, Mongolia, and Thailand will join the drill. According to an agreement, the UN could authorize the SCO to dispatch peacekeepers on UN’s behalf.

“Guns of the August”

Meanwhile, two large war games unfolded around and across Eurasia. On Aug. 2–27, the US military conducted Large Scale Global Exercise 21 (LSGE21), the largest in 40 years. The 25-day drill involved some 25,000 participants from all US services alongside allies (UK, Australia, and Japan) across 17 time zones with a scenario of simultaneously countering Russia and China. Throughout the summer, the US’s European and Asian allies expanded their footprint in the South China Sea (SCS). A day before LSGE21 ended, the Malabar maritime exercises, which began in 1992 as a joint US–India drill, kicked off its 2021 phase in the Philippines Sea with a full Quad formation (US, India, Australia, and Japan) for the first time. To offset the growing maritime activities of the US and its allies, China launched its own large naval drills in August in SCS and other locations as a “pointed warning” to the US.

August was also the month for a China–Russian joint “strategic” military exercise code-named “WestCoordination-2021” (“西部联合–2021”) in northwestern China with a declared goal of “joint safeguarding regional security and stability (联合维护地区安全稳定). More than 13,000 troops participated with more than 400 pieces of equipment, including China’s J-20 stealth fighters, for the first time, alongside China’s H-6, H-7A, J-16, J-11 bombers and fighters, as well as five Russian Su-30SMs. The drill was conducted by a joint headquarter and integrated units for a higher level of interoperability.
Military exercises have become routine between the two large Eurasian powers. Those “strategic” ones, however, are relatively new. They are usually conducted in more conventional style with heavy artillery, armor, and air components, to distinguish them from the “lite” version “anti-terror” drills within the SCO framework. In 2018-20, China participated in three strategic exercises in Russia (Vostok-2018, Tsentr-2019, and Kavkaz-2020) when thousands of Chinese troops traveled to Russia. “WestCoordination-2021” was the first of this kind held in China. Russian Defense Minister Shoigu observed the live phase of the drill.

Until recently, interoperability between Russian and Chinese units was relatively low, partially due to language barriers. During the “WestCoordination-2021” exercises, a command-control digital system developed exclusively for joint operations of the two militaries (专门的中俄联合指挥控制系统) was used for the first time, which significantly enhanced interoperability at all levels, according to a Chinese account. As a result, various specialized PLA units (engineers, logistics, etc.) were directly embedded in Russia’s mechanized assault groups. The PLA infantry units also chose the occasion to let the Russians operate their equipment with an extraordinary level of transparency. For this, a Russian motorized infantry regiment arrived in China two weeks before the live drill and spent considerable time practicing Chinese equipment.

As the maritime (US) and continental (Russia and China) giants were rehearsing for the perceived worst scenario in August, the end of the 20-year occupation of Afghanistan promises no silencing of guns either inside the war-torn nation or around the globe. In this regard, the historical analogy, or cliché, that Afghanistan was the “Graveyard of Empires,” is misplaced. The final US exit from Afghanistan—no matter how “untidy” it was, to borrow Donald Rumsfeld’s famous phrase for the mismanaged Iraq occupation—was considered imperative for a more China- and Russia-focused strategy, as President Biden noted in his Aug. 31 speech.

As if the August heat, and hostility, were not enough, Western media was taken back by the newly discovered construction of 350 ICBM silos in China’s northwest. Beijing has not publicly dismissed the revelation. The Washington Post went as far as to speculate that China wanted “to be caught.” The fixed silo sites, more likely for China’s solid-fuel DF-31 or DF-41 ICBMs, would help reduce the threat from drones and cruise missiles against China’s current mobile ICBM launchers. Moreover, they would give China a launch-on-warning capability, allowing China to retain its no-first-use policy while ensuring the survivability of its nuclear forces, noted an RT analyst. China would easily increase its nuclear warheads to 1,000, given the 10-warhead payload on each DF-31 or DF-41. This is a level of more credible deterrence that China could do with relative ease, as some Chinese media had long advocated.

Even if China increases its nuclear warheads to 1,000, its nuclear arsenal is considerably smaller than that of the US (6,257) and Russia (5,550). For Adm. Charles Richard, commander of US Strategic Command, collaboration between China and Russia is more threatening than “China’s strategic breakout.” “Both Russia and China have the ability to unilaterally, at their own choosing, go to any level of violence, to go to any domain to go worldwide, with all instruments of
national power,” Richard said on Aug. 30 at the Hudson Institute, noting that if they work in tandem, it would be even worse.

Richard’s concern about a Moscow–Beijing alliance sharply contrasted with the “reluctance” to move toward an alliance in China and Russia. A newly released annual “China–Russian Dialogue: 2021 Mode,” penned by Fudan University in Shanghai and Russia’s International Affairs Council, dismisses US obsession with the alliance issue as a conceptual trap and opts for a more flexible, pragmatic, and comfortable mode of reciprocity.

An example: in late July, as a purely bureaucratic move, the Russian government submitted to the State Duma an agreement on extending, for another 10 years, the mutual notification for launches of ballistic missiles and carrier rockets. It was signed by Russian and Chinese defense ministers on Dec. 15, 2020, anchoring the strategic security issue in a trust-and-verified and reciprocal mechanism regardless of the size of each country’s nuclear forces.

Conclusion: Anniversary Plight

By the end of summer, all these anniversaries—20th for the SCO, China–Russia friendship treaty, and the US’s Afghan war; 30th for the Soviet breakup—means little, be they commemorated or overlooked. The world seems to be moving steadily toward an increasingly hostile round of great power games.

For Henry Kissinger, whose China breakthrough occurred 50 years ago (July 9), a US-China war “will be an unspeakable catastrophe.” The Kissingerian “catastrophe,” however, won’t be another Cold War, which turned out to be “a long peace” between two ideological rivals of Western descent (Western liberalism vs Western Marxism). Nor will it be a “total war” like World War I as Kissinger frequently warned in the past two years. In fact, the last time the world endured a pandemic on the scale of COVID-19—the 1918–20 “Spanish flu” pandemic—some academics suggest its sheer lethality ironically helped silence the guns of World War I.

Now, in the 21st century, a pandemic is pushing the great powers further apart. The world is in uncharted waters, for better or worse.
CHRONOLOGY OF CHINA-RUSSIA
RELATIONS
MAY – AUGUST 2021

May 12, 2021: Chinese city Xi’an hosts second C+C5 foreign ministers’ meeting of China and five Central Asian countries—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. They focus on Afghanistan.

May 19, 2021: Russian and Chinese presidents take part, via videoconference, in a ceremony to launch the construction of four nuclear power units at the Tianwan NPP and the Xudapu NPP in China.

May 21, 2021: Chinese Minister of Science and Technology Wang Zhigang meets Russian Ambassador to China Andrey Denisov in Beijing.

May 25, 2021: 16th China–Russia strategic security consultation is held in Moscow and co-chaired by Nikolai Patrushev, secretary of the Russian Security Council, and Yang Jiechi, member of the CPC Politburo. Russian President Putin, in Sochi, talked to Yang over the phone.

May 27, 2021: SCO holds online meeting of experts to prepare for the first meeting of Security Council Secretaries in Tashkent.

June 1, 2021: BRICS foreign ministers hold annual videoconference under India’s chairmanship. COVID and economic development top the agenda, while Afghanistan was the 22nd of 35 items in the “media statement” issued by the ministers.

June 1, 2021: Chinese and Russian foreign ministers Lavrov and Wang Yi speak via video to the 6th International Conference Russia and China: Cooperation in a New Era.

June 4, 2021: FM Wang Yi talks to Russian counterpart Lavrov over the phone. They discussed bilateral and international issues.


June 19, 2021: Chinese Embassy in Kabul urges Chinese citizens to leave the country ASAP via commercial flights.

June 21, 2021: Russia’s new ambassador to Washington, Anatoly Antonov, briefs outgoing Chinese Ambassador Cui Tiankai on Putin–Biden talks in Geneva on June 16. Antonov tells reporters that “nobody can divide Russia and China.”


July 8, 2021: Xi sends condolences to Putin after the crash of a Russian commercial airplane.

July 11, 2021: FM Wang comments on the 20th anniversary of the signing of the China–Russia friendship treaty, saying the two countries “are not allies, but better than being allies.”

July 14, 2021: SCO holds annual foreign ministerial meeting in Dushanbe, Tajikistan. Saudi Arabia and Egypt are accepted as SCO’s dialogue partners to be finalized by the SCO summit in September. A joint statement in the name of “the SCO–Afghanistan Contact Group” was issued, calling for peace and stability in the war-torn South Asian country.
July 14, 2021: A suicide attack kills 13 people, including nine Chinese workers who were bussed to the Dasu Hydropower Project in Pakistan’s northwestern Khyber Pakhtunkhwa province. The bombing was carried out by Islamist militants and backed by the Indian and Afghan intelligence agencies says Pakistani Foreign Minister Shah Mehmood Qureshi.

July 15, 2021: Wang meets with Lavrov in Tashkent on the sidelines of the high-level international conference “Central and South Asia: Regional Connectivity. Challenges and Opportunities.” The two top diplomats focused on the Afghan issue.

July 16, 2021: Xi talks with Afghan President Ghani over the telephone.

July 21, 2021: Putin sends a message to Xi, expressing deep condolences over the tragic consequences of the extensive flooding in the province of Henan.

July 27, 2021: Chinese Ministry of Foreign Affairs spokesman Zhao Lijian says China supported safeguarding the outcome of WWII. He made the remarks after Russian Prime Minister Mikhail Mishustin’s July 26 visit to the disputed island of Iturup triggering a new round of Japanese

July 27, 2021: Russian Foreign Ministry spokeswoman Maria Zakharova writes on her webpage that the assassination of Haiti President Jovenel Moïse was related to Taiwan.

July 28, 2021: SCO defense ministers hold their annual meeting in Dushanbe, Tajikistan.


Aug. 5–10, 2021: Russian, Tajik, and Uzbek forces conduct an exercise in the Kharb–Maidon drilling field in Tajikistan just 12 miles from the Tajik–Afghan border.


Aug. 18–19, 2021: Chinese and Tajik internal security forces run the joint “Anti-terror Coordination–2021” in Dushanbe.

Aug. 25, 2021: Xi holds a phone conversation with Putin, having an “in-depth discussion on the Afghanistan problem ... in a traditionally friendly and trust-based atmosphere.”


Aug. 30, 2021: Russia and China cast abstention vote in UN regarding the US-sponsored Afghan resolution calling on the Taliban to allow safe passage for those seeking to leave Afghanistan.
Australia closed its borders to confront COVID-19 and rode out recession, while China shut off key markets to punish Australia. The short recession caused by pandemic ended Australia’s record run of nearly three decades of continuous economic growth; Beijing’s coercion crunched the optimism of three decades of economic enmeshment. However, Australia’s economy rebounded while the China crunch continues, causing Australia to question its status as the most China-dependent economy in the developed world. The Canberra–Beijing iciness has built over five years, marking the lowest period since the establishment of diplomatic relations in 1972. In 2021, the language of “strategic partnership” died and the “strategic economic dialogue” was suspended by China. The Biden administration promised not to abandon Australia, saying that US–China relations would not improve while an ally faced coercion. Australia embraced Washington’s assurance, along with the elevation of the Quad with the US, Japan, and India.
Fighting COVID-19

At the end of August 2021, COVID-19 had caused 1,006 deaths in Australia, but the country has closed its international borders. The only people allowed to enter Australia are citizens, permanent residents, New Zealanders, and those who gain exemption under categories for seasonal workers or business. Anyone arriving in Australia must quarantine for 14 days (even if vaccinated). All overseas travel from Australia is banned (expect New Zealand). Since the border was closed in March 2020, anyone seeking to leave the country must get a government “exemption” by showing “exceptional circumstances” and a “compelling reason.” The number of people allowed to enter the country each week was capped at 6,000 people; then in July 2021, the weekly cap was halved to 3,000 people.

Closing down the country in 2020 closed down the economy, bringing on the first recession since 1991. Yet the recovery was swift. In the darkest days of 2020, Australia’s Treasury feared that unemployment would reach 15% and the economy would contract by 20%. Instead, employment has gone back to pre-pandemic levels and by the middle of 2021 the jobless rate was 5.6%. Remarkably, Australia’s economy did not shrink in the 2020–21 financial year—instead GDP grew by 1.4%. Still, the cost of the government’s response to COVID is a massive blowout in the federal budget deficit. In the 2021 budget, Treasurer Josh Frydenberg said net debt will increase to A$617.5 billion (US$459.9 billion, or 30% of Australia’s GDP) this year and is projected to peak at A$980 billion (40% of GDP) by mid-2025. Among the ifs-and-maybes of those projections is how much longer China will pursue its campaign of coercion expressed as trade punishment.

The China Chill and Economic Sanctions

Australia’s icy relations with China are in their fifth year. Previous cold spells—under the Hawke, Howard, and Rudd governments—were short because economic interests quickly rekindled relations. Today’s iciness delivers frigid diplomacy, chilled strategic perspectives, and economic frostbite for Australian exporters. Beijing isn’t taking calls from Australian ministers. No senior Chinese leader has come to Australia since March 2017.

As promised by the ambassador, the “coercive diplomacy” weapons China has honed around the world were deployed. Beijing used tariffs, duties, inspections, quarantine, and port go-slow to target Australian agriculture, coal, copper, wine, university education, and tourism. Australia’s ambassador to Beijing, Graham Fletcher, said China “has been exposed as quite unreliable as a trading partner and even vindictive.” The statistical roundup of 2020 by the journal Australian Foreign Affairs estimated the cost of Chinese sanctions at A$19.4 billion, on Australian exports worth A$153.2 billion in 2018–19. The trade and investment timeline created by the Australia–China Relations Institute recorded the extent of China’s coercive tactics.

By the end of 2020, the total value of trade between the two countries had fallen by 2% from

Figure 1 Summit-wear in the pandemic age—doing 14 days quarantine after his 2020 visit to Japan, Scott Morrison prepares to take part in a (virtual) G7 summit—with the camera showing only his top half. Photo: Scott Morrison/Instagram
the previous year. Only China’s huge appetite for Australia’s iron ore, and its surging price, sustained the trade figures. Taking iron ore out of the equation meant that at the end of 2020, Beijing had cut the value of the Australian trade in other industries by 40%. In 2021, however, iron ore kept delivering for Australia—China had no ready alternatives.

The director of Sydney’s Australia–China Relations Institute, James Laurenceson, said “of the dozen or so Australian goods that China did close its market to, many could be diverted elsewhere.” Global markets had taken the sting out of China’s economic punishment. Laurenceson cautioned that China’s demand for iron ore is likely to fall as steel production is forecast to peak in the mid-2020s. One potential game-changer is China’s effort to get access “to the world’s largest reserve of untapped high-quality iron ore” in the Simandou range in Guinea in West Africa.

China’s commentary has become explicit about the political and diplomatic purposes of the trade sanctions. The repeated line from China’s Ministry of Foreign Affairs is that it’s up to Australia to correct its errors. The errors were catalogued in November 2020, when Chinese diplomats in Canberra handed a list of 14 grievances to a journalist. The rap sheet claims it’s all Australia’s fault for being “opaque” and “doing the bidding of the US”; for “politicization and stigmatization” of China; “spearheading the crusade against China”; and “poisoning the atmosphere of bilateral relations.” Brush off the bombast to view a useful list of choices Australia could not and would not recant on: banning Huawei from its 5G network; foreign interference laws to restrict Chinese interference in Australian politics; calling for an inquiry into the origins of COVID-19; and criticism of Chinese actions in Xinjiang, Hong Kong, the South China Sea, and its menacing of Taiwan.

The 14 points offer a Rosetta Stone for reading the psychology of Xi Jinping’s regime and the Chinese Communist Party, according to Peter Hartcher, the international editor of The Sydney Morning Herald and Melbourne’s Age. In his 2021 book Red Zone: China’s Challenge and Australia’s Future, Hartcher said the demands break into three sections. The first four relate to Beijing’s efforts to influence or control, the demand “to be given more power over Australia.” The next four points expose “Just as [Beijing] cannot abide the least criticism at home, it cannot tolerate criticism abroad.” The remaining six points “reveal the brittleness of Beijing’s self-image and self-confidence.”

The Biden administration says it has told Beijing that any improvement in US–China relations will be linked to an end of sanctions against Australia. The president and the administration had made clear that the US would back Australia, National Security Coordinator for the Indo-Pacific Kurt Campbell has said. The Biden administration’s “Asia Tsar” said Australia’s response to China’s coercion had answered the question of whether Canberra’s alignment could swing from Washington to Beijing.

Campbell doubted that Beijing could reset its strategy toward Australia. Australia was responding “quietly and carefully,” Campbell said, but he predicted continuing Chinese assertiveness. The stand–with–Australia message was repeated in talks in Washington between Secretary of State Antony Blinken and Foreign Minister Marise Payne. Blinken said the US would not leave Australia alone on the field “in the face of economic coercion by China.” Payne said Australia had been clear about “a number of challenges” it faced from China. “We welcome the clear expressions of support from Washington as Australia works through those differences. It is hard to think of a truer expression of friendship,” Payne said.

Australia Rethinks China—The Perils of Partnership

Government–level casualties of the chill include the burial of the Australia–China “Comprehensive Strategic Partnership” and death of the “Strategic Economic Dialogue.” In 2013, under Prime Minister Julia Gillard, Canberra signed up to “strategic partnership” as Beijing’s price for getting an annual leaders’ summit. In a speech in February 2021, Scott Morrison bid adieu to the idea of strategic partnership.
In May 2021, China suspended the China–Australia Strategic Economic Dialogue. Announcing the action, China’s National Development and Reform Commission said Australia had “launched a series of measures to disrupt the normal exchanges and cooperation between China and Australia out of Cold War mindset and ideological discrimination.” Beijing’s action was interpreted as retaliation for Canberra’s announcement that it was tearing up Belt and Road agreements between China and the state of Victoria. The “annual” economic dialogue had not been held since 2017, so China was suspending an already lifeless mechanism.

To the squeeze on business and the freeze on government contact, add the human dimension of an Australian journalist taken as hostage and now charged. On Aug. 14, 2020, Australia was informed of the detention of Cheng Lei, an Australian citizen who is a “high-profile, respected business journalist” for the state-controlled China Global Television Network. China announced that Cheng was suspected of criminal activity endangering China’s national security. After six months in detention Cheng was formally arrested in February. The Chinese authorities told Australia that Cheng was arrested on suspicion of illegally supplying state secrets overseas. In August 2021, Foreign Minister Payne issued a statement marking the fact that Cheng had been detained for one year.

China also put the squeeze on the two remaining correspondents in China working for Australian media. In September 2020, China’s Ministry of State Security interviewed Bill Birtles of the Australian Broadcasting Corporation, based in Beijing, and Michael Smith of The Australian Financial Review, based in Shanghai. Told they were persons of interest in the case of the detained Cheng Lei, Birtles and Smith were banned from leaving the country. Both immediately shifted to Australian diplomatic premises while an exit deal was negotiated. After a five-day standoff, the two correspondents were allowed to return immediately to Australia. For the first time since 1973, Australian media have no correspondents in China. The state of the relationship means it’s not safe for correspondents to return to China.

Australian public opinion has tracked the growing sense of perils in the partnership. The Lowy Institute poll of how Australians view the world showed that trust, warmth, and confidence in China and China’s leaders started to decline in 2017. The 2021 survey was another record low for Australians’ views of China: “In a conspicuous shift, the majority of Australians (63%) now see China as ‘more of a security threat to Australia.” This is a substantial 22-point increase from 2020.

In the past, China could always rely on vocal support from Australian businesses. No longer. The shift in thinking is shown by the Australian Industry Group, which represents 60,000 businesses. The lobby group’s chief executive is Innes Willox, who in an article headlined “We must not trade principles in stand against Beijing bully” in the Jan. 17 edition of The Australian, said Australian business and government must “stay strong and true to our core beliefs” while continuing to talk and trade where possible.

The Australian government’s A$200 billion sovereign wealth fund, the Future Fund, has pared back its investments in China because of the tensions. The fund’s chairman, Peter Costello, said the government did not instruct the fund to sell down its China investments, and instead the fund had responded to trade sanctions against Australia. In Parliament, the Labor Opposition backs the Morrison government in facing China. Labor’s criticism is on tactics and competence, not the nature of the choice. All the attack lines in Opposition Leader Anthony Albanese’s start-of-the-year foreign policy speech in 2021 were about how badly Morrison had handled Donald Trump, not about
dealing with China. Albanese said Australia should stand with the new Biden administration to both challenge and coexist with China. The idea of drawing firmer lines has become an explicit goal of Canberra’s political consensus, embraced by both the Labor and Liberal parties.

Quad 2.0 and Australia’s Quasi-alliance with Japan

The Quad and Australia’s quasi alliance with Japan both notched seminal moments over the past year. The Quad had its first summit in March 2021, and Abe Shinzo departed as Japan’s longest-serving leader in September 2020. The first leaders’ meeting of Australia, India, Japan, and the US was a sparkling moment for Abe’s “democratic security diamond.” Australia will now find out how much its “small a” alliance with Japan was based on Abe and how much on more permanent shifts in Japan’s policy personality. The “special relationship” Abe built with Australia was atypical in the region—a level of strategic cooperation that no other Asian leader has reached for. Australia valued Abe’s declaration that Japan will have a military and security role in Asia’s future.

Abe’s influence touched much that matters in Canberra:

- Japan has risen to become a defense partner for Australia on par with New Zealand and Britain.
- In Abe’s first term as prime minister, he signed the joint declaration on security cooperation with John Howard in March 2007.
- Japan and Australia were the first countries to place the Indo-Pacific atop their foreign policies in a new regional construct.
- The trilateral (Australia, Japan, and the US) has been strengthened, making the linkage between the US–Japan and US–Australia alliances.
- Australia pondered buying its new submarine from Japan as a crowning expression of the “small-a” alliance.

Back in 2006, one of the greats of Australian strategy, Des Ball, rated Japan as Australia’s fourth most important security partner, saying Australia’s security cooperation had intensified and expanded to the point where Japan ranked behind only the US, UK, and New Zealand. And Ball was writing before Abe really got going. Today, Japan sits on that second tier. The second rung position is a long way from the US alliance, but that’s another reality separately shared by Australia and Japan—the defining importance, for each, of the US. Australia’s small “a” alliance doesn’t involve a treaty-level commitment like the US–Japan and US–Australia alliances, but it’s a relationship that shadows those pacts, based on shared interests and growing military and intelligence cooperation. A fresh element—both complicated and contentious—is the idea of Japan joining the Five Eyes intelligence club.
Abe was Asia’s pre-eminent Trump whisperer, setting the model for lavishing Trump with love to deal with a less predictable and less reliable US president. Australia’s prime minister from 2015 to 2018, Malcolm Turnbull, boasted he was tougher than Abe and got a better result with Trump. But an Australian prime minister used a Japanese prime minister to shape his approach to a US president. When Abe stepped down, Scott Morrison quickly headed to Tokyo in November 2020, to become the first world leader to meet new Prime Minister Suga Yoshihide. Because of the pandemic, Morrison’s two days in Tokyo meant he had to quarantine for two weeks on his return to Australia and participate in Parliament via a video link. Morrison and Suga announced an in-principle agreement on a Reciprocal Access Agreement (RAA) to enable Australia and Japan to streamline the stationing of the Australian Defence Force (ADF) in Japan and the Japan Self-Defense Forces (SDF) in Australia. The RAA is the second such agreement Japan has signed, following its 1960 Status of Forces Agreement with the United States. Morrison called the agreement a “pivot moment in the history of Japan–Australia ties,” opening a “new chapter of advanced defence cooperation between our two countries.”

Ahead of Morrison’s visit to Japan, Foreign Minister Payne headed to Tokyo in October 2020, for a meeting of Quad foreign ministers (and also did 14-day quarantine on return). Payne’s Quad message from Tokyo was crisp. Lots of China content without using the “C-word.” Because there was no Quad communiqué, each foreign minister gave their own summation. Payne delivered six paragraphs, starting with COVID-19, then turned to the Indo-Pacific’s shaky strategic environment: “Pressure on the rules, norms and institutions that underpin stability has the potential to undermine recovery.” Looking at but not mentioning China, she noted it’s “vital that states work to ease tensions and avoid exacerbating long-standing disputes, work to counter disinformation, and refrain from malicious cyberspace activity.” And she repeated previous AUSMIN language that “states cannot assert maritime claims that are inconsistent with international law.”

Four disparate democracies can do much together, not least to reassure Southeast Asia that it has agency and options (Quad leader-speak: “strong support for ASEAN’s unity and centrality”). The anchor image responds to a permanent reality: China will always be in Asia, while the US presence is always a choice Washington makes. In choosing the Quad, the US is renewing its promise to the Indo-Pacific as much as it is joining with three fellow democracies. The Quad is not an alliance. The Indo-Pacific democratic diamond will not match the four-pointed NATO star. The outlook of the Quad members is as different as their democracies. Yet as diamonds are formed by high temperature and pressure, so the Quad bonds four democratic powers that feel the force and weight of Asia’s coming power.

Figure 5 The Quad leaders’ summit—meeting virtually across time zones and the Indo-Pacific. Photo: Yoshihide Suga/Twitter

The Rudd Labor government walked away from Quad 1.0 in 2008 because it had high hopes about China and doubts about Japan and India; Canberra bet on Beijing rather than Tokyo and New Delhi. Now the race has changed dramatically, the stakes are even higher, and Australia puts new wagers on Japan and India to reinforce its traditional bet on the US. Quad 2.0 arrived, Rudd notes, because Xi Jinping has “fundamentally altered the landscape” by projecting Chinese power, and strategic circumstances have “changed profoundly.” In August 2021, Rudd wrote that Beijing had underestimated the effect of its own actions on Quad solidarity. The Quad alarms China, Rudd judged, because its success poses a major threat to Beijing’s ambitions.
The "Economic Realm"

The Australian relationship with the US has a more complex and demanding economic dimension. The strategic purposes of the alliance embrace technologies and economic interdependence as key parts of the new great power competition. Once trade and the international economic system were implicit or assumed parts of the alliance. Now the many elements of China’s rise and the shock of the Trump administration mean that geoconomics steps up beside the geopolitics. Scott Morrison says that “unlike the Cold War, geostrategic competition in the coming decades will be engaged in the economic realm. Our recent experience with economic coercion underlines that.”

Coerced by China, Australia turns to its ally in these new dimensions. The prime minister says bilateral strategic cooperation with the US must extend to economic matters: “We should consider a regular Strategic Economic Dialogue between our most senior key economic and trade officials.” Such a Strategic Economic Dialogue with Washington would focus on the China challenge, identifying and responding to coercion, supply chain protection, emerging technologies, US–Australia trade issues, and both buttressing and reforming the global system—from the nature of the World Trade Organization to guaranteeing availability of rare earths. Morrison says Australia’s 16-year-old free trade agreement with the US is “critical infrastructure” that must be upgraded. And then a strategic economic dialogue could deal with what the prime minister calls “the hard stuff,” as Morrison outlined in an address to the Australia–American Leadership Dialogue. “We’ve got to deal with the reform of the World Trade Organization,” Morrison said. “We’ve got to deal with ensuring that there is a working appellate system that ensures that the rules of trade work ... to ensure that no country, no country suffers any exploitation against its interests, as we are seeing at present.”

Whatever China’s sins, it was the Trump administration that swung a wrecking ball through the WTO appellate system. Immigration, and Morrison’s 1930s comparison is the reference to a time of revisionist powers but also a protectionist–isolationist US. Standing with the US, Morrison says Australia’s “interests are inextricably linked to an open, inclusive and resilient Indo–Pacific” and to a “strategic balance in the region that favours freedom.” He nominates five areas for Australian advocacy and agency:

1. Supporting open societies, open economies and our rules-based order;
2. Building sovereign capacity, capability, and resilience;
3. Cooperating on global challenges;
4. Enabling renewed business-led growth and development, and
5. Demonstrating that liberal democracies work.

Different elements in those talking points would work differently for the Trump and Biden administrations, but a unifying thought is the role of Australia’s relationship with the US. Labor’s analysis, from opposition, chimes with much of the government’s thinking on the economic realm. Labor leader Anthony Albanese has told Parliament that the US had been a core economic partner of Australia, and its importance continued to grow.

For the third time, Morrison attended the G7–Plus dialogue, taking part in the 2021 summit in Britain, with a seat at three G7 sessions on health, the economy, and climate. Morrison’s first meeting with President Biden on June 12 turned from a bilateral to a trilateral when joined by the G7 host, Britain’s Boris Johnson. A statement from the three leaders said they discussed “issues of mutual concern, including the Indo–Pacific region.” Added to the alliance, Australia can look to work with the US in an array of institutions with a global span: the G20, the G7–Plus, President Biden’s virtual Summit for Democracy in December, the Five Eyes intelligence club; and in the Indo–Pacific through APEC, the East Asia Summit, the ASEAN Regional Forum, and the Quad. The gap in the lineup is the absence of the US in Asia’s new trade architecture.
An irony of Beijing’s coercive campaign is that on Nov. 15, 2020, Australia and China were signing what boosters call the most important ever regional trade agreement, the Regional Comprehensive Economic Partnership. What began as a tidying-up exercise for ASEAN, to join all its various treaties, greatly serves China’s interests, and China-centric supply chains. RCEP is a joining-together counter to the decoupling duel between the United States and China, and the decoupling imposed by Chinese sanctions on Australia.

The gap on the RCEP stage was India, which pulled out. The US is the ghost at the feast. Asia now has two big regional trade pacts that do not include the US—RCEP and the rebadged Trans-Pacific Partnership (TPP). TPP is a US-created vision of Asia’s economic future that Donald Trump abandoned. Neither China nor the US is in the TPP, salvaged by Abe with plenty of help from Turnbull. To make up for the US defection, they added extra fizz and flavor to the title, making it also a “Comprehensive and Progressive” agreement, but to merit the comprehensive tag, the CPTPP needs more players. An excellent assessment of prospective members is offered by Hayley Channer and Jeffrey Wilson: South Korea is the favorite, a comeback by the US is a “game-changer,” Britain is a “swooper,” and China and Taiwan are the “dark horses.”

Biden is a fresh jockey but domestic weight means this is a race the US will struggle to rejoin, much less win. China would have to grapple with the CPTPP’s tougher stance on tariffs and labor standards, and make major changes to the role of state-owned enterprises. Australia has welcomed China’s CPTPP interest, not least because such negotiations would require Beijing to relax sanctions and take its hands off Australia’s throat. The old order fades when Asia can even contemplate having China at the center of its two big trade deals, with the US on the outside of both. That’s not the decoupled world that Washington or Canberra wants. And it is in the economic realm where Washington must make up much ground: as Campbell comments, “For the US to be effective in Asia we are going to have to make clear we have an economic plan.”

Australian analysis goes to the same point. The “weakest aspect” of the Biden administration’s approach to the Indo-Pacific is its failure to develop a comprehensive strategy for economic engagement, according to Australia’s United States Studies Centre. The Sydney-based center issued a report in August on how the Biden administration should compete for influence. The Biden approach to China concentrated on the domestic and global arenas, rather than on influence within the Indo-Pacific, and the focus on long-term systems competition with China overlooked the urgency of near-term competition in the Indo-Pacific: “The Biden administration, like its predecessors, lacks an economic strategy for the Indo-Pacific region. This major weakness in regional policy is driven by US protectionist trade preferences at home. Proposed initiatives on digital trade and infrastructure cannot compensate for the absence of a comprehensive trade-based economic approach.”

**Trying Times Try the US Alliance**

Tough times raise the importance of the alliance, but the times raise questions about how tough the alliance can be. Bilaterally, Trump was good to Australia and the alliance fared well. But Trump ushered into view a US that is protectionist and mercantilist, skeptical of alliances, and more interested in deals than democracy. Much Australian discussion of the China challenge is actually about US choices, about how trying times will try the alliance. Biden’s election prompted statements to Parliament by Australia’s prime minister and opposition leader. Few other elections around the world merit such formal attention in the House of Representatives.

The prime minister avoided any mention of Biden’s stance on climate change, an issue that deeply divides his government coalition.
Politically, it was far easier for Albanese, the opposition leader, to voice Labor’s support: “We are pleased that our great friend and ally will be guided by a president who not only has accepted the reality of climate change but also is ready to pursue new industries and jobs of the future.” A Biden administration commitment to net zero emissions by 2050 is a key difference with the Morrison government. Ahead of Biden’s climate summit in April 2021, a senior US official briefed journalists that Australia’s greenhouse gases strategy was unsustainable: “At the moment I think our colleagues in Australia recognize there is going to have to be a shift.”

Fudging the 2050 deadline, Morrison says his focus is on “how” to get to zero, not “when.” The prime minister told the US climate summit: “Our goal is to get there as soon as we possibly can, through technology that enables and transforms our industries, not taxes that eliminate them and the jobs and livelihoods they support and create, especially in our regions.” Morrison says Australia will “preferably” reach the net zero target by 2050. The “preferably” mantra of exposes Australia to much international pushing and pressure ahead of the November meeting of the United Nations Climate Change Conference (COP26). Climate change was one of the topics in the first telephone conversation between Biden and Morrison on Feb. 3.

In welcoming Biden’s election in November 2020, Morrison commented on that broadening during the four years of Trump, with “new areas of cooperation in space, critical minerals, frontier technologies and more.” The down-to-earth nature of the alliance is such that it now embraces rare earths, while horizons go to outer space—in May, the Australian Defence Force announced the creation of Space division involving the commitment A$7 billion over a decade.

The Alliance and Northern Australia

Canberra increasingly thinks about defense of northern Australia as part of the regular work of the military partnership with the US. The annual US Marine deployment to Darwin has marked its first decade, with the 10th rotation in 2021 involving 2,200 US personnel. From April to October, a US Marine Rotational Force deploys to the Northern Territory to train for expeditionary operations, enhance US–Australian interoperability and demonstrate the strength of the alliance, conduct regional engagement and enhance regional security; prepare for crisis and contingency response; among other things.

At the 2020 Australia–US Ministerial meeting (AUSMIN), the US and Australia signed a statement of principles on alliance cooperation and force posture priorities in the Indo–Pacific for the next decade. The US will fund a strategic military fuel reserve in Darwin. Discussions began on expanding the US–Australia joint training exercises in northern Australia “to include additional partners and allies to bolster regional relationships and capabilities.” Australia is used to hosting US intelligence and signals bases. Now US military facilities are being created on Australian soil. While the troops rotate through Darwin, the permanent facilities are put in place.

For the first time since World War II, US troops are spending extended periods based and training in Australia each year. The rough, tough, and lengthy US–Australia negotiations over who would pay for marine facilities in Darwin was one sign of the mental adjustments involved. Whatever Canberra anticipates, an increase in US forces based in Australia gets a negative popular response. A survey in July 2021 found just 15% of Australians say that “closer co-operation with the United States” is better for the national interests than the status quo, preferred by 47%. Only 18% of Australians preferred increasing US access to Australian defense facilities, while the status quo was preferred by 65%.

The US and Australia are reaching out to bring more partners to work together in Australia’s north. This was given full expression in the ninth biennial Talisman Sabre exercises in Queensland (the largest bilateral US–Australia exercise). Launching the 2021 exercise, Australia’s Defense Minister Peter Dutton said it would strengthen interoperability, bolster cooperative defense activities with countries in the region, and enhance collective combat readiness for complex operations. More than 17,000 military personnel from seven nations took part, across all domains—maritime, land, air, information and cyber, and space: 8,300 Australians; 8,000 Americans; 200 Japanese; 250 Canadians; 230
South Koreans; 130 British and 20 from New Zealand.

In June 2021, Dutton was asked whether he anticipated more marines in Darwin and US naval vessels operating out of the Perth naval base. His reply: ‘Yes I do.’ The minister said the US role had not been hidden from the Australian public since the 2011 Force Posture agreement on the marines. Dutton said A$8 billion will be spent on infrastructure works across the north of Australia in the next decade “on facilities to train jointly with the US and others.”

The Northern Territory has 1.3 million sq. km, so each of its 250,000 people has the equivalent of five sq. km—that’s a lot of space for a couple of thousand Marines, but the US presence is certainly noticed in the north. Reflecting on the territory’s experience of living with the marines, a retired Australian Army major-general wrote that the initiative had been “painfully slow to gather momentum,” particularly negotiating the cost-sharing arrangements.

The US Army War College Fellow at the Australian Strategic Policy Institute, Todd C Hanks, wrote that the US finds itself relying more on its allies than at any time in the past 50 years, particularly in the Indo-Pacific. The lieutenant colonel observed that while Australia valued its independence and self-reliance, its defense strategy and policies were increasingly aligned with the US effort to deal with the rapid rise of China as a near-peer competitor. He pointed to areas for growth of US–Australia cooperation:

- expand the Australian defense industrial base while securing and hardening supply chains; a joint venture to manufacture critical ammunition within Australia;
- increase the US Army force posture in northern Australia to take advantage of the region’s strategic geography;
- increase multinational training opportunities, especially for the Quad; and
- expand Australia’s defense partnership with Indonesia.

**Afghanistan**

For Australia, as for the US, Afghanistan was the longest war—40,000 Australian Defence personnel and civilians served in Afghanistan and 41 soldiers were killed. The total cost of Australian military operations in Afghanistan in the 20 years to June 2021 was A$8.5 billion. In a statement to Parliament on the Taliban victory, Prime Minister Morrison said many of those who served in Afghanistan were asking a simple question: Was it worth it? The prime minister answered: “Yes, it was. ... As with any war, of course, there are errors and miscalculations, and history won’t shy away from that, and neither will we, as a free people.” Before Kabul airport closed, Australia’s part of the airlift had evacuated some 4,100 people—this included more than 3200 Australians and Afghan nationals with Australian visas, while the remainder were people airlifted on behalf of Australia’s coalition partners.

Foreign Minister Payne spoke in the Senate on the disappointment and pain many felt: “I fear for Afghan women and girls, their rights to education, work and freedom of movement. I fear for the many women I have met over the years of my visits to their country.” Australia would support international efforts to pressure the Taliban to meet its responsibilities, Payne said.

Labor’s shadow foreign minister, Penny Wong, told the Senate that Australia would have to grapple with what it had learnt about the limits of military intervention and foreign-backed statehood: “This mission did not end the way we wanted or hoped, and we should face that reality squarely. These are issues which demand responsible and sober engagement, and all who served and all who will be called on in the future to serve are entitled to that honest appraisal.”

One element of that appraisal is war crimes in Afghanistan: 25 Australian soldiers stand accused of murdering 39 unarmed Afghan civilians or prisoners and cruelly treating two others, between 2005 and 2016. After a four-year inquiry, Paul Brereton, a New South Wales Supreme Court judge and a major-general in the Army Reserve, handed a report to the Inspector General of the Australian Defence Force. Brereton found credible information about 23 incidents in which one or more noncombatants or prisoners were unlawfully killed by or at the direction of Australian soldiers in circumstances which, if accepted by a jury, would be the war crime of murder. Some of these incidents
involved a single victim, and some multiple victims. None of these incidents occurred under pressure in the heat of battle, the report said.

The chief of the Australian Defence Force, Gen. Angus Campbell, said the report detailed credible information regarding deeply disturbing allegations of unlawful killings: “To the people of Afghanistan, on behalf of the Australian Defence Force I sincerely and unreservedly apologise for any wrongdoing by Australian soldiers.”

One of Australia’s most experienced defense reporters, the executive editor of The Strategist, Brendan Nicholson, wrote that the war in Afghanistan profoundly changed the Australian Army and had a significant impact on the whole defense force. The special forces had become isolated from the rest of the army, and a small minority of them got out of control:

“When concerns were raised about possible unlawful killings, the army ordered its own investigations. What they uncovered was profoundly disturbing. Something had gone badly wrong on the Afghanistan missions—a deep-seated and distorted warrior ethos permeated parts of the SAS and an entrenched culture of impunity had taken hold there.”

Amid the question about Afghanistan, one judgment about those two decades is set: the bipartisan support for the war from the major parties at every stage of the saga. The consensus between the Liberal and Labor parties was remarkable for showing few cracks and never publicly wavering. Both sides of politics owned the war in government and neither deviated when in opposition. As anything that looked like victory faded to invisibility, this bipartisan unity persisted; the consensus held even as the nature of the war changed and evolved, Australian casualties rose, and popular Australian support fell away. The bipartisan backing for Afghanistan rested on the US alliance, but it drew strength from the professional nature of the Australia Defence Force.

Liberal and Labor leaders were sending volunteers, not conscripts. The three-way dynamic was the relationship between an Australian population skeptical of the war, a professional military, and Australia’s politicians committed to Afghanistan as an alliance duty. Australians supported their military even if they opposed the war. That allowed a series of governments to uphold the mission. The cost was carried by the ADF—as demonstrated by the war crimes findings and now a royal commission into suicides by Australian military veterans. Paul Kelly, editor-at-large of The Australian, described it as an “ignominious rout” (Aug. 21–22). Kelly saw a strategic wake-up call for Australia that would mean a rethinking of “the US alliance in terms of our rhetoric, our responsibilities and our self-reliance.”

Tony Abbott (prime minister 2013–15) predicted a more adventurous China and Russia as US allies adjusted and questioned. Labor’s Kevin Rudd (prime minister 2007–10 and 2013) told Kelly that the alliance was an essential strategic guarantee, but Australia must recognize the isolationist dimension in the US worldview.

The future course offered by Rudd in his 2021 book The Case for Courage:

- higher military spending;
- deeper military partnership with the US;
- growing the nation’s population for a “Big Australia”; and
- an even greater role in the Indo-Pacific and Pacific Islands.

Malcolm Turnbull (2015 to 2018) told Kelly the issue was not just US reliability but US competence: “I respect the decision President Biden took in the circumstances. … Yet the outcome is appalling and many people are left abandoned. This has damaged America’s standing and prestige.”

John Howard (prime minister 1996 to 2007) said the US was weary of the prolonged involvement, but the withdrawal was clumsy, with a determination to meet the deadline of the 9/11 anniversary: “My initial reaction is that this bungle has taken place in the context of Afghanistan and the different views of Democrats and Republicans over how to fight Islamist terrorism. I still have a lot of confidence in the American relationship. I believe if it was put to the test the Americans would honor the ANZUS treaty.”
The positive take is that the US is heading out of Afghanistan into the Indo-Pacific. The tough take is that this is Biden’s first major blunder as president. Australia confronts its own Afghanistan scars and an Australian army changed by two decades of war.

Conclusion: ANZUS at 70

At the end of the reporting period, on Sept. 1, Australia’s House of Representatives marked the 70th anniversary of the signing of the ANZUS treaty between Australia, New Zealand, and the United States. Morrison’s speech used alliance language echoing that of the previous 14 prime ministers who’ve held office since the treaty was signed. He told the House that “ANZUS is the foundation stone of Australia’s national security and a key pillar for peace and stability in our Indo-Pacific region.” The alliance was based on trust and mutual respect, which meant the treaty “breathes and adapts with each passing generation,” Morrison said: “Our two peoples see the world through the same lens. The treaty we celebrate today has leaned into the world, dealing with it honestly as it is but in the hope of it becoming more as we would like it to be. At the launch of the Defence strategic update last year, I said we live in a region where peace, stability, and prosperity cannot be taken for granted.”

Opposition Leader Anthony Albanese said President Biden’s early embrace of the Quad was a welcome commitment to the region: “We welcome the return of American leadership and the rules-based order under President Biden, and his dedicated effort in repairing alliances. But even when the United States stepped back from its longstanding leadership on trade and other forms of multilateralism during the Trump administration, Australia held the line and, importantly, held the door open for our friends in the United States.” The bipartisan support for ANZUS in the parliamentary motion is reflected in polling by the United States Studies Centre, based at Sydney University.

The center finds a significant positive shift in Australian attitudes toward the alliance. Polling from 2007 indicated just one-fifth (19%) of respondents thought the alliance with the US helped “reduce the risk of an attack on Australia.” When asked the same question in 2021, this doubled with 38% agreeing the alliance reduces the risk of an attack on Australia. And 85% of Australians think it is “very” or “somewhat” likely that the US would “substantially assist” Australia if it faced a military threat. The head of the center, Simon Jackman, said Australians see the alliance as a “vital and dependable foundation” of Australia’s security, yet views about the relationship were “tinged by wariness about Australia’s independence and realism about the nature and limits of US power.”

Some bits of the alliance vocabulary are hefting more weight, such as the focus on values. It is striking to hear Australia’s realist defenseniks continually circling back to the role and worth of democracy in the contest with China. Always a reliable gloss on ANZUS speeches, democracy gets more space and attention today as an important piece of alliance software. Australia has spent 70 years obsessing about the meaning and strength of ANZUS as the structure and links built on the treaty have evolved and grown. The idea of alliance that came out of World War II was born as ANZUS in the Korean war and survived defeat in Vietnam. This alliance resilience means it will survive Afghanistan. The 70th anniversary marks the history of a relationship that is strong enough to adapt, and has delivered much for Australia and the US.
CHRONOLOGY OF AUSTRALIA-US/EAST ASIA RELATIONS

SEPTEMBER 2020 – AUGUST 2021

Oct. 6, 2020: The foreign ministers of the Quad meet in Tokyo.

Oct. 14, 2020: Reports that Chinese state-owned energy providers and steel mills are told to stop importing Australian coal. The Australian mining company, BHP, says Chinese customers have cancelled coal orders.

Nov. 6, 2020: A report on Australian military war crimes in Afghanistan is handed to the Chief of the Defence Force.

Nov. 12, 2020: Prime Minister Scott Morrison announces a new investigative body to examine findings of war crimes by Australian soldiers in Afghanistan.

Nov. 17, 2020: Morrison visits Japan to meet new Prime Minister Suga Yoshihide, reaching in-principle agreement on a Japan-Australia defense pact, allowing closer military cooperation on exercises and shared use of resources, including bases and fuel.

Dec. 4, 2020: Report of the Comprehensive Review of the Legal Framework of the National Intelligence Community is released, along with the government response.

Dec. 13, 2020: Free trade agreement between the South Pacific, Australia, and New Zealand begins operation.


Dec. 23, 2020: Foreign Minister Marise Payne announces a “Sydney Dialogue” designed to be the “world’s premier summit on emerging, critical and cyber technologies.”

Jan. 5, 2021: Payne notes refusal of a UK court to extradite Australian citizen Julian Assange to the US, stating that “Australia is not a party to the case and will continue to respect the ongoing legal process.”

Jan. 10, 2021: Australia joins Canada, the UK, and US in expressing serious concern at the mass arrests of 55 politicians and activists in Hong Kong for subversion under the National Security Law.

Jan. 21, 2021: Morrison holds the first annual leaders’ talks with Vietnamese Prime Minister Nguyen Xuan Phuc under the Australia-Vietnam strategic partnership.

Jan. 27, 2021: Morrison has a virtual meeting with Malaysian Prime Minister Muhyiddin Yassin to elevate the Australia-Malaysia relationship to a “comprehensive strategic partnership.”

Jan. 27, 2021: Defence Minister Linda Reynolds has her first discussion with new US Defense Secretary, Lloyd Austin.

Feb. 3, 2021: First phone conversation between Morrison and President Biden takes place.

Feb. 5, 2021: Australian journalist and former business anchor for Chinese state media outlet China Global Television Network (CGTN) Cheng Lei is formally arrested by PRC authorities after six months in detention.

March 12–13, 2021: First Quad leaders’ meeting of Australia, India, Japan, and the US takes place.

April 10, 2021: Australia announces vaccines for the South Pacific.

April 15, 2021: Morrison announces withdrawal of Australia’s last remaining troops in Afghanistan, in line with US action.

April 21, 2021: Using foreign relations powers, Canberra cancels four deals between the state of Victoria and foreign nations, including a Belt and Road Initiative agreement with China.

May 6, 2021: China suspends its Strategic Economic Dialogue with Australia.

May 10, 2021: Payne visits Kabul to affirm support for the Afghanistan government.
May 13, 2021: Payne has talks in Washington with Blinken.

June 9, 2021: Australian Federal Police reported to have taken part in a global “sting” operation against organized crime suspects across 12 countries who use an encrypted app designed by police.

June 9, 2021: Ninth Japan–Australia 2+2 Foreign and Defense Ministerial Consultations take place.

July 8, 2021: Kathryn Campbell is appointed secretary of the Department of Foreign Affairs and Trade, following Frances Adamson who leaves to become governor of South Australia.

July 11, 2021: Payne issues statement marking the fifth anniversary of South China Sea Arbitral Award that dismissed China’s claim to “historical rights or maritime rights” in the South China Sea.

July 14, 2021: Defense Minister Peter Dutton addresses opening ceremony of Exercise Talisman Sabre.

Aug. 13, 2021: Payne issues a statement on Australian journalist Cheng Lei’s detention in China for one year, expressing serious concern about her welfare, and “a lack of transparency about the reasons for Ms. Cheng’s detention.”

Aug. 16, 2021: Australia’s prime minister, defense minister, and foreign minister call on the Taliban’s leadership to be “responsible and accountable for the conduct of its forces” and for no threat or hindrance to those wanting to leave Afghanistan.

Aug. 18, 2021: Australia allocates initial 3,000 humanitarian places for Afghan nationals to come to Australia; since 2013, 8,500 Afghans have resettled in Australia.

Aug. 30, 2021: Payne makes joint statement with 94 other nations on assurances from the Taliban on travel out of Afghanistan.

Sept. 1, 2021: Labor Party says that if elected it would conduct Australia’s first Defence Posture Review since 2012.

Sept. 1, 2021: Morrison presents motion to the House of Representatives marking the 70th anniversary of the signing of the ANZUS treaty.
ABOUT THE CONTRIBUTORS

See-Won Byun is an assistant professor of international relations at San Francisco State University. Her research centers on Chinese politics and international relations in Asia. She focused on US–Asia policy issues as a research associate at The Asia Foundation’s Center for US–Korea Policy in Washington, and non-resident Kelly Fellow of Pacific Forum CSIS. Before joining SF State, she taught Asian politics and international relations at Bates College. She received a Ph.D. in political science and M.A. in international affairs from George Washington University, an M.A. in international studies from Yonsei University, and B.A. in economics from Brown University.

Kyle Churchman is a graduate student concentrating in China studies at Johns Hopkins University’s School of Advanced International Studies. Prior to attending SAIS, he was a resident junior fellow at the Center for the National Interest, where he published articles on cross-strait relations, Taiwan’s domestic politics, and Chinese foreign policy for The National Interest. He previously served as a researcher for the US–China Economic and Security Review Commission and the National Bureau of Asian Research. He graduated magna cum laude from George Washington University with a B.A. degree in international affairs and Chinese.

Ralph A. Cossa is former president and Worldwide Support for Development–Handa Chair at the Pacific Forum. He is a lifelong contributor to Comparative Connections and coauthors the regional overview chapter. Cossa is a member of the ASEAN Regional Forum (ARF) Experts and Eminent Persons Group. He is a founding member of the multinational track two Council for Security Cooperation in the Asia Pacific (CSCAP). He co-chairs the CSCAP study group aimed at halting the proliferation of weapons of mass destruction in the Asia Pacific region and is the executive director of the US CSCAP Member Committee (USCSCAP). He serves on the Board of the Council on US–Korean Security Studies and the National Committee on US–China Relations (NY). He is a frequent contributor to regional newspapers, including the Japan Times, Korea Times, and International Herald Tribune. His publications include The United States and the Asia-Pacific Region: Security Strategy for the Obama Administration (Washington DC: Center for a New American Security, 2009); "US–Japan Relations: What Should Washington Do?" in America’s Role in Asia: Recommendations for US Policy from Both Sides of the Pacific (San Francisco: Asia Foundation, 2008); and An East Asian Community and the United States, Ralph A. Cossa and Akihiko Tanaka, eds., (Washington, D.C.: CSIS Press, 2007).

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