



# ICAS BULLETIN

## Institute for China-America Studies

### A Survey of Scholarship on US-China Relations

*Twice a month, the ICAS Bulletin updates a global audience on American perspectives regarding the world's most important bilateral relationship. Research papers, journal articles, and other prominent work published in the US are listed here alongside information about events at US-based institutions.*

#### Publications

##### **Will China Test Trump? Lessons from Past Campaigns and Elections**

Kacie Miura and Jessica Chen Weiss

*The Washington Quarterly*, Winter 2017

Based on an analysis of previous cases, the authors identify patterns in how China treats incoming foreign leaders. The authors suggest China will likely to adopt a wait-and-see approach to the new US administration and a cautious foreign policy to avoid any unintentional confrontations. They recommend that the Trump administration not view an initial period of Chinese forbearance as an invitation to increase pressure on China.

##### **Advice for the 45th U.S. President: Opinions from Across the Pacific**

The Asia Society, December 2016

This collaborative work prepared by experts from the US, India, Japan, and China provides a review of policy priorities in the Asia Pacific for the next president. The report suggests the US should “show up” in the Asia Pacific and continue strengthening its tie with regional partners, such as deepening US-ASEAN relations. Despite troubling signs in trade, experts identify several areas of common interest where cooperation between US, China, and India can continue, such as energy security and climate change.

**Record Chinese Outward Investment in 2016: Don't Overreact**

Derek Scissors

AEI, January 2017

This report reviews the size and performance of China's overseas investment in 2016, when China witnessed both record high amount of outward investment and rising capital flight. Scissors also observes a surge of Chinese capital flowing into the US, which exceeded \$50 billion in 2016. On bilateral investment regulations, Scissors advocates a nuanced approach to sorting out legitimate from illegal activities among Chinese firms (regardless of the somewhat arbitrary private/SOE distinction), and recommends that issues like intellectual property theft be dealt with through channels other than the already burdened CFIUS.

**Reinvigorating US Economic Strategy in the Asia Pacific: Recommendations for the Incoming Administration**

Asia Economic Strategy Commission

CSIS, January 2017

This report outlines a new strategy for the next US administration in response to a changing Asia Pacific. Having recognized both economic opportunities and uncertainties in regional security, experts propose eight policy recommendations, such as reaffirming the United States' role as a Pacific power, ratifying a revised TPP, increasing US infrastructure investment in the region, and taking actions to ensure a mutually beneficial US-China relationship.

**The US and EU Both Want to Trade with China—But They Shouldn't Go It Alone**

Philippe Le Corre and Jonathan Pollack

Brookings, December 15, 2016

This article confirms China's substantial status in global trade by examining some key economic measures from last year. It also focuses on the massive amount of Chinese investment in the US and Europe. Many politicians and business leaders across the Atlantic have expressed concerns about China's intentions behind the massive wave of acquisition. The authors suggest the US and the EU should come up with a more coordinated strategy to handle common challenges.

**The Implications of China's Seizure of a US Navy Drone**

M. Taylor Fravel

Maritime Awareness Project, December 21, 2016

Fravel discusses the importance of the location in the recent UUV incident, which occurred in what the Chinese government has termed "related waters" near the Philippines' coastline, but not waters under China's jurisdiction. Although China's intentions remain unknown, he contends the seizure should be interpreted as a political signaling—perhaps lacking high-level authorization—toward the US rather than a legal assertion of new rights or expanded jurisdiction. Fravel argues that the incident shows China is increasingly willing to challenge the

US military presence in the region, which may signal more confrontations and warnings in the future.

### **Trump and Xi Need a Time Out**

Zheng Wang

*Foreign Policy*, January 4, 2017

Wang recommends that both Trump and Xi refrain from challenging the status quo in 2017. The future of US-China relations remains unclear as both countries will experience power transitions this year. Under these circumstances, a one-year *détente* would bring many advantages for both leaders as they seek to establish consensus on key issues.

### **Tillerson Offers Reassurance on Asia—But Will It Stand?**

Mireya Solis and Richard Bush

Brookings, January 12, 2017

Solis calls Rex Tillerson's relatively soft position on TPP a "noteworthy" break from Trump's protectionist trade doctrine. But, as she points out, this offers little reassurance to US partners in the Asia Pacific. Bush refers to Tillerson's reaffirmation of American leadership in the region as "welcome news," but also raises questions about how Tillerson will negotiate with allies regarding their commitments on burden-sharing.

## Events

### **The Year in U.S.-China Relations 2016: "It's Not Dark Yet..."**

Richard McGregor, Joanna Lewis, Robert Daly

Wilson Center, December 15, 2016

In a panel discussion, McGregor discussed US-China relations in 2016 in the context of East and Southeast Asian political relations. Lewis discussed what was a significant year for climate and energy cooperation between US and China, and Robert Daly evaluated China's growing status as a trend setter and global influencer. He noted that this phenomenon combines in unpredictable ways with what he sees is a recent trend of China ideologically and culturally closing itself off from the rest of the world.

### **US-China Relations in the Trump-Xi Era**

Henry Kissinger and Cheng Li

The Committee of 100, December 15, 2016

Kissinger expressed optimism on US-China relations under the next administration. He had confidence over Trump's cabinet picks such as Rex Tillerson and Terry Branstad, but did criticize Trump's "unwise" phone call with Tsai Ing-wen. Li largely agreed, noting that the leadership in

each country can find new ground for cooperation if Trump can find a constructive way to engage with China in the first year. He also recommended that the new president visit China early in his presidency.

### **The End of the Asian Century**

Michael Auslin and Robert Kaplan

AEI, January 10, 2017

Auslin discussed his new book *The End of the Asian Century* ([an excerpt can be read here](#)). His analysis of broad trends in East Asia yields an unusually pessimistic view of the region's economic and political prospects. Auslin sees a convergence of demographic and economic challenges and rising nationalism contributing to growing instability in Asia's future.

### **Debating the Trump Doctrine**

Cato Institute, January 17, 2017

Cato's Trevor Thrall and Emma Ashford hosted CSIS's Kathleen Hicks and other experts to discuss the future of US foreign policy under Donald Trump. They evaluated Trump's past comments on foreign policy and the president-elect's temperament in the context of international realities and Washington's bureaucratic constraints. The discussion included a consideration of the future of America's Asia policy, where Hicks saw the potential for a significant shift in the parameters of US decisionmaking.



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