



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.

Commentary: Trump and America's Shifting Views on China p. 4

The Trump-Xi Meeting

Four Things to Know about the Trump-Xi Meeting

Richard Bush

Brookings, April 8, 2017

Based on the briefing from Secretaries Tillerson, Mnuchin, and Ross, the Trump-Xi summit provided fertile ground for discussion in four areas: President Trump's commitment to visit China this year, restructuring of senior-level dialogues, declaration of a 100-day process for addressing economic frictions, and an agreement to coordinate action on North Korea.

Trump Changed His Campaign Tune at Mar-a-Lago Last Week

David Dollar

Brookings, April 10, 2017

Dollar discusses the more moderate stance that Trump took when discussing trade issues during the recent Mar-a-Lago summit. He predicts that like the Obama Administration, Trump will be faced with a variety of security issues that will make it necessary for him to cooperate with China, minimizing the severity of the economic disputes between Washington and Beijing. Dollar notes that although some agreements were reached at the summit, it seems likely that future dialogue between the US and China will largely adhere to the status quo.

Publications

China's Naval Modernization: Implications for US Navy Capabilities

Ronald O'Rourke

Congressional Research Service, March 29, 2017

This report informs congressional oversight of US Navy issues, including assessments of whether the Navy will be capable to counter improved Chinese A2/AD forces, whether its plans for developing and procuring long-range carrier-based aircraft and long-range ship- and aircraft-launched weapons are appropriate, whether the Navy can effectively counter Chinese ASBMs and submarines, and whether the Navy, in response to China's maritime A2/AD capabilities, should shift over time to a more distributed fleet architecture.

Back to the Front Burner: A Structuralist Approach to Analyzing the Shift in China's Behavior in the South China Sea Between the Periods 2000-2008 to 2009-2014

Kheng Swe Lim

Asian Security, April 5, 2017

This article explains the shift in China's military behavior in the South China Sea in two periods: 2000 to 2008 and 2008 to 2014 by analyzing China's behavior as a dependent variable of the shifting power structures of the Asia-Pacific region. It further argues that a shift in regional economic structure and in attitudes toward the use of naval power, combined with the U.S. pivot to Asia and the feedback loop that China's behavior causes, have together been responsible for China's increased assertiveness in the South China Sea.

The Country with the Most to Gain from Trump is not Russia; It's China

Erol Yayboke

CSIS, April 6, 2017

Yayboke discusses how China is positioned to gain international influence, as its strategic actions in overseas development and climate change fill the vacuum left behind by the United States. This shift in geopolitical leadership in climate change and international aid and development suggests China will become a major player in international institutions.

Forget the Subs: What Taipei Can Learn from Tehran About Asymmetric Defense

Colin Carroll and Rebecca Friedman Lissner

Council on Foreign Relations, April 6, 2017

The authors underline how Taiwan must formulate a strategic defense approach as the confluence of escalating cross-strait tensions and uncertainty regarding the Trump administration demands clear defense planning. The article observes that war between China and Taiwan seems unlikely in the future, but does not rule out the possibility of escalation, and calls on Taiwan to plan for likely scenarios involving a PLA attack. The authors further advocate for Taiwan to invest in an asymmetric defense system instead of conventional courses of action—one that targets the opposing military's vulnerabilities rather than directly attacking strengths.

How China Plans to Dominate the South China Sea: Copy Great Britain

Jarrett Stepman

The National Interest, April 8, 2017

Stepman predicts there will be an inevitable "showdown between China and the United States over this vital global trade route." He delineates the history of the two clauses, *Mare Liberum* and *Mare Clausum*, associated with the Dutch and British maritime empires in the last millennium, and likens China's maritime behavior to that of the British approach of "closed seas." Stepman believes one of the biggest

challenges for the United States in the maritime realm is preventing China from tightening the noose on critical trade routes, which might potentially disrupt American naval and economic dominance.

How America and China could Stumble to War

Graham Allison

The National Interest, April 12, 2017

Allison believes many background conditions might push the US and China toward conflict. He cites structural dynamics like sibling phenomena, the Thucydides' Trap and the rising power syndrome. The relationship is also filled with exacerbating factors such as the development of disruptive, "shock and awe" weapons, cyber warfare, anti-satellite weapons, and flash points such as Taiwan and the East/South China Seas. While war is not inevitable, Allison believes that these factors raise the stakes and increase the level of effort the relationship requires.

Chinese Political and Military Thinking Regarding Taiwan and the East and South China Seas

Timothy Heath

RAND Corporation, April 13, 2017

This testimony presented before the US-China Economic and Security Review Commission speculates on Chinese strategic intentions in its military sphere from analyses extracted from insights in Chinese official government documents and scholarly analyses associated with specific government departments. Heath concludes that while the need for international stability weighs heavily on any Chinese consideration for the use of force, Beijing may risk brinkmanship in a crisis to change the status quo in the medium or longer term.

Chinese Investment in US Aviation

Chad Ohlandt, Lyle Morris, Julia Thompson, Arthur Chan, Andrew Scobell

RAND Corporation, 2017

This report explicates the economic and security sensitivities of Chinese investment in US aviation. The authors provide the context for China's future demand for aviation technology and the country's aviation industry policies and the state of its industry. The report also assesses the implications of resulting technology transfer and the implications on US aviation industry competitiveness and national security.

Events and Discussions

The Inaugural Trump-Xi Summit: A Conversation with Ely Ratner

Bonnie Glaser and Ely Ratner

CSIS, April 14, 2017

Ratner points out in this podcast that this summit was important for both President Trump and President Xi. For Trump, it is of crucial importance to establish a working relationship with his Chinese counterpart. For Xi, the ability to manage the US-China relationship is crucial as he faces the 19th Party Congress later this year and will be evaluated by his party based on this performance in the management of this relationship. Notably, President Xi did not manage to get President Trump to issue a joint statement or endorse the slogan, "new model of great power relationships." However, Ratner

believes the Chinese delegation walked away relatively satisfied. One of the most significant deliverables from this meeting was the new mechanism for bilateral dialogue, the US-China comprehensive Dialogue, which alters the old “S&ED” format.

Global Development Forum

CSIS, April 17, 2017

This day-long program presented panels on workforce development, women’s issues, multilateral governance and technology. Breakout sessions focused on development issues on a region-by-region basis.

The Souls of China: Religion and the Search for Meaning in the People’s Republic

Robert Daly and Ian Johnson

The Wilson Center, April 17, 2017

In his new book, *The Souls of China: The Return of Religion after Mao*, Ian Johnson explores the ways that social dislocations and the recovery of Chinese and foreign faith traditions are reshaping Chinese lives. Johnson argues that, far from being an atheist or consumerist nation, a new Great Awakening is underway in China.

The US “One-China” Policy: Disambiguating the Ambiguous

The National Bureau of Asian Research, April 19, 2017

At this roundtable on the “One-China” policy, Stapleton Roy, Paul Wolfowitz, and Richard Bush discussed the history that led up to the famous piece of ambiguous diplomacy, the rhetorical components of the agreement, and the impact of the agreement on present day world politics. Stapleton Roy concludes that while “ambiguity is a good thing, we don’t always know the lines; once we stray from the lines, there will be consequences.” This quote quaintly characterizes the current state of cross-strait relations. Wolfowitz contended that there should be more clarification on what “unofficial relations” mean, and less ambiguity regarding the terms of arms sales agreements between the United States and Taiwan.

Commentary

Donald Trump is Second-Guessing the US’ China Policy—America’s China Experts are Too

Alek Chance

The president’s foreign policy views are outside the beltway mainstream but his belief that the United States’ China policy must be revamped is widely shared.

The meeting of U.S. and Chinese presidents always receives considerable attention, and justifiably so. But Xi Jinping’s upcoming visit to Mar-a-Lago seems to be invoking an extra sense of anxiety among U.S. foreign policy watchers. No doubt much of the malaise can be attributed to Donald Trump’s willingness to rock the diplomatic boat—he has already tangled with the “One China Policy,” has persistently labeled China a bad actor on the trade and monetary front, and Secretary of State-Designate Rex Tillerson’s comments on the South China Sea at his confirmation hearing raised eyebrows. We are still

waiting to see what measures the administration will take on issues of trade or alleged currency manipulation, but they are likely to raise tensions.

But this isn't the whole story. While many foreign policy insiders are skeptical of his overall approach to foreign affairs, Trump's frustration with China resonates with many Americans concerned who believe that the US-China relationship is at a "tipping point." Over the last few years, Americans' confidence in longstanding China policy has wavered, with some experts noting a lack of consensus on how to deal with the world's number two power, and others simply announcing that American policy has failed. Most agree that the relationship has a far more complicated future than once anticipated.

There is a certain degree of consensus within the U.S. expert community regarding a list of disappointments with China, both in its domestic and foreign policies.

First, there is a widespread frustration with the pace of economic reforms in China, which negatively impact American business interests. The Chinese economy has not opened up for foreign investment in ways that proponents of engagement once envisioned, and according to many accounts, the business climate has actually been getting worse for foreigners. These factors contribute to a sense that China does not conduct its economic relations with an appropriate sense of reciprocity. While such practices may not be so straightforwardly prohibited as some might argue, they are at best seen to be cases of China following the letter of the law but not the spirit of mutually beneficial economic cooperation. A result of this has been the erosion of support for China among American businessmen, once an important constituency for a soft China policy.

Second, many Americans give voice to the complaint that China is a "free rider" in the international system that benefits from but does not sufficiently contribute to global public goods as a "responsible stakeholder." This includes perceived obstructionism on the North Korea issue and other areas of global crisis management, manipulation of trade regimes, and a tendency to undermine Western-preferred norms regarding governance and sustainability through its development practices. Recently, China has joined in the game of multilateral international development in a massive way with the creation of the Asian Infrastructure Investment Bank and the Belt and Road Initiative. These measures have intensified concerns about China competing with or even "replacing" Western-led institutions.

Finally, and more broadly, China's more proactive economic diplomacy combines with its behavior in the South China Sea to intensify longstanding American concerns about an increasingly "assertive" China. Perceived assertiveness raises important questions about how China's plans might affect U.S. interests and alliances in the Asia-Pacific and the global order itself. Despite Chinese protestations to the contrary, many Americans are concerned that China's activities in the maritime space are part of a long-term gambit to "drive America out" of the Western Pacific and alter the regional security architecture to better suit its interests.

In the background of these frustrations is a sense of shattered optimism about China. In the past, a dominant view of China embraced the assumptions of liberal internationalism: that U.S. engagement with China would inexorably draw it towards free-market capitalism and more liberal domestic governance. Economic reforms and integration into the global economy were thought to ensure that China would become more like the United States and therefore more amenable to American views of global governance and accepting of the status quo. Over the last several years, there

has been a slow, disappointing realization that China's party governance structure and mixed economy are more resilient than most had believed and might be here to stay.

In coming to terms with the persistence of the existing Chinese regime and political economy, alternate visions for the future of the relationship have recently proliferated inside the beltway and in academia. Most see the relationship as facing considerable risk of becoming more contentious. Many either display strategic mistrust of China or identify mutual mistrust as an important factor.

One can identify two major trends in these new approaches. On the one hand, some have argued that the United States has been naively supporting a growing competitor, and should take firmer action to limit China's ability to benefit from its relationship with the US, particularly in terms its access to technology—something critics have dubbed a containment strategy. Many voices also call for strengthened and qualitatively improved relationships with the United States' Asian allies and new partners like India. On the other hand, some analysts have contended that the United States will inevitably lose its predominance in China's immediate backyard, necessitating a process of strategic accommodation to bring about a more sustainable balance of power. Those noting the need for an adjustment in the United States' security obligations typically point to instability across the Taiwan Strait and on the Korean Peninsula. Others have noted that the United States has at times failed to reassure China about its benign intentions, or has unnecessarily rejected reassurance concepts generated by Beijing, such as President Xi Jinping's "New Model" for major-state relations. Some have argued that a model of tit-for-tat concessions or "cooperation spirals" must be initiated in order to find sustainable solutions to many problems in the Western Pacific and beyond, or that a grand bargain should be hammered out in one fell swoop.

Regardless of the outcome of the 2016 U.S. presidential election, the stage had already been set for a potentially significant reconsideration of the United States' China policy. Whether confrontation, accommodation, or a dialectic of reassurance is the right approach, Americans are presented with the task of reconceiving some basic premises of the relationship. If U.S. policy cannot be built around China's eventual transformation into a Western-style liberal polity, new principles for a more pluralistic world order must then be envisioned. American foreign policy thinkers also face the demand to more carefully consider which elements of the "liberal world order" are truly dependent on a homogeneous system of liberal, capitalist democracies, and which elements can be embraced by a nation like China. The answer here will surely be a mixed bag: as Xi Jinping made clear in his recent address at Davos, China will continue to be a proponent of free trade; on the other hand, China's views on internet governance or roles for state owned enterprises will continue to be at variance with Western approaches. Finally, the United States must become adept at dealing with a great power that is neither destined to be a like-minded partner nor doomed to be an ideological adversary. Many have observed that American foreign policy conventions aren't well suited to this task of pragmatic statesmanship. Here's hoping that America's very unconventional president can somehow hit upon the right approach.

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