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A Bimonthly Survey of Research and Analysis on China-US 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

American Foreign Policy in Transition

Steven Krasner Defining Ideas, Hoover Institution, June 2, 2015

Krasner assesses the future of US "deep engagement" with the world in an environment where there is little consensus on how to characterize future challenges. While the current US dominated order, Krasner argues, has generated overall global wealth and stability, it has not uniformly benefitted everyone, thus alternative views of international order could arise as challengers. Krasner discusses American uncertainty about how China will fit into this dynamic. Since, as he claims, the current global system is reflective of American "norms and values," a Chinese challenge to this order may undermine their influence and "fundamentally transform" the international order. Krasner concludes by advising policymakers that "coalitions of the willing" will be more effective than "deep engagement" across intergovernmental institutions with universal membership.

Mutual respect for international laws can keep the peace between China and the US Jerome Cohen

US-Asia Law Institute, June 21, 2015

This article adapts Cohen's testimony before the US House of Representatives Subcommittee on Asia and the Pacific. Cohen argues that while Beijing's foreign policy is more cooperative than it is sometimes given credit for, its disregard for international legal commitments and processes is troubling. Cohen observes that China's

disposition towards the Philippines-initiated arbitration case is "out of step" with the practices of other nations in Asia and worldwide, and that if it ignores the tribunal's decision it would be in "blatant violation" of UNCLOS. Cohen urges both China and the US to establish mutually beneficial practices for peacefully resolving disputes.

S&ED: Chinese and American Media Tell Two Tales

David Dollar and Wei Wang Order from Chaos Blog, Brookings Institution, June 29, 2015

The authors discuss the greatly different media coverage the Strategic and Economic Dialogue (S&ED) received in China and the US. While the Chinese press presented the dialogue as largely successful, US media was much more pessimistic. Moreover, the dialogue itself received much more attention from reporters in China than those in the US. The authors speculate that this in part is because of differing views of how much improvement the relationship requires. They further note that this divergence of perspectives could cause problems for the upcoming Xi-Obama meeting.

What Happens to a Coral Reef when an Island is Built on Top?

Eric Niiler

The Washington Post, July 6, 2015

The author discusses China's South China Sea reclamation projects with marine biologists and engineers. They raise questions about the environmental impact of the projects as well as the sustainability of such structures in the open ocean.

Reassessing the US Rebalance to Northeast Asia

Gilbert Rozman

Orbis 59:3, Summer 2015

The author contends that the US "rebalance" should conceptually be split into two parts, given that the problem of managing alliance relationships between Japan and South Korea in the Northeast is substantially more difficult than balancing interests in Southeast Asia. Japan and South Korea both have interests that diverge with US policies, short-sighted domestic issues cloud the strategic judgment of each (especially regarding legacies of the Second World War) which in turn negatively affects their relationship with one another. At the same time, Rozman claims that Russia, China and North Korea are drawing closer together, making diplomacy in Northeast Asia especially challenging.

The US Asia Rebalancing and the Taiwan Strait Rapprochement

Vincent Wei-Cheng Wang *Orbis 59:3,* Summer 2015

This article examines how exactly Taiwan fits into US policy regarding an Asia "pivot," especially against the background of unprecedentedly close relations between Taipei and Beijing. Any mention of Taiwan has been conspicuously absent in official US discussions of the rebalancing strategy. The author examines three possibilities:

that the US considers Taiwan to be drawing inexorably closer to China; that it will leave Taiwan outside of the "pivot" and leave its role undetermined; finally, that increased economic and security relationships with Taiwan are part of the pivot strategy. The article evaluates evidence for each of these positions and discusses a variety of scenarios for future relationships between Washington, Taipei, and Beijing.

Xi Jinping's Foreign Policy: Image versus Reality

Robert Sutter

CSIS Pacific Forum PacNet Newsletter, July 7, 2015

Sutter argues that President Xi Jinping's more assertive foreign policy has not yielded greater influence in Asia, but rather, has drawn many Asian nations closer to the United States. He also observes that China's trade policies have not been able to amplify Chinese influence in the region—for example, South Korea and Australia are greatly dependent on Chinese trade, but are more closely allied with the United States. In other regions of the globe, Sutter claims that China likewise fails to create influence or generate soft power through trade and investment policies.

The Pentagon's Fight over Fighting China

Mark Perry

Politico Magazine, July/August 2015

This article addresses the internal debates and budgetary battles related to the Pentagon's "Air/Sea Battle Concept" that has arisen at least in part (if not wholly) in response to China's military modernization. Perry discusses the re-orientation of capabilities from an organizational perspective, and describes how it is criticized by some as an effort on the part of the Navy and Air Force to secure a greater share of the defense budget. This is because it both promises to divert funds and attention from the Army, and because it entangles the US in a high-tech strategic competition with China that will ensure the continuing preeminence of these branches of the military.

China's Foreign Aid Offensive

Charles Wolf, Jr. The RAND Blog, June 29, 2015

Wolf discusses the great depth and breadth of Chinese foreign aid, noting that it takes the form of investment more than assistance. He speculates that as such, Chinese spending on infrastructure and energy development in other countries will likely continue to be high even after the expected economic slowdown. Regarding the AIIB, Wolf argues that the proliferation of such investment banks might lead these institutions to compete with one another for projects, resulting in the possibility of relaxed standards and risky investments. Consequently, Wolf wonders whether China will regret founding the bank. The TPP, on the other hand, stands to greatly benefit the US and its partners.

The "Two Orders" and the Future of China-US Relations

Wang Jisi ChinaFile, July 9, 2015

Wang discusses the strategic mistrust between the US and China that stems from Chinese apprehensions about the US undermining the CCP and American anxieties about China's challenge to a US-led order. He suggests that US global leadership and CCP domestic leadership have both been good for China. Wang discourages US policymakers from taking steps to undermine the Chinese regime, since this would damage the foundation for cooperation between the two nations.

Exploring Avenues for China-US Cooperation on the Middle East

Center for American Progress, China-US Exchange Foundation, Shanghai Institutes for International Studies, July 13, 2015

This major report shares the outcomes of a long-term project conducted by CAP, CUSEF, and SIIS. The authors make a series of policy recommendations for joint programs aimed at bolstering stability in Egypt, combatting terrorism and extremism, bolstering infrastructure and development, and maintaining energy security. All of these goals support both US and Chinese interests in the Middle East. The recommendations stress the capabilities of both states to assist with the development of state capacity and education, and note that US and Chinese development goals in Afghanistan can be mutually supporting.

Events at US-based Institutions

<u>CSIS China Reality Check Series: The 7th US-China Strategic and Economic Dialogue:</u> <u>Process, Achievements and the Road Ahead.</u>

Center for Strategic and International Studies, July 9, 2015

CSIS invited senior US officials who had participated in the S&ED to share their thoughts on the dialogue. Robert Dohner and Christopher Adams discussed the view from the US Treasury Department, and were joined by Susan Thornton from the State Department. Each of the speakers emphasized the importance of the dialogue for streamlining communication between the two countries' bureaucracies. Christopher Adams remarked that there was a "remarkable complementarity" between US economic interests and China's economic reform agenda, and presented the "negative list" for the Bilateral Investment Treaty as an important issue in upcoming discussions. On the "strategic" front, Susan Thornton said that the two parties spoke extensively about both the South China Sea and Cybersecurity issues, and noted that the Chinese delegation seemed "surprised" that their announcement regarding an end to reclamation activities hadn't received a more positive response.

US-China Cooperation on the Middle East

Center for American Progress, July 13, 2015

CAP and partners China-US Exchange Foundation and Shanghai Institute for International Studies hosted an event to introduce their new report (discussed above).

Relations across the Taiwan Strait: Retrospective and Prospects for Future Development

Brookings Institution, July 13, 2015

This conference featured three panels alongside an address from Ambassador Raymond Burghardt, Chairman of the American Institute in Taiwan. Burghardt repeated US assurances of impartiality on the question of Taiwan's elections and stated that US policy is not to express any opinions on the character of Taipei/Beijing relations so long as neither party engages in unilateral or coercive behavior. The third panel (part 4 of the audio) dealt with broad questions of how the US relates to cross-strait relations, and featured Steven Goldstein alongside Zhao Suisheng, Wang Yuan-kang, and Huang Kwei-Bo.

Commentary: The South China Sea Spats: An Alternative View By Mark J. Valencia

For its policies and actions in the South China Sea, China has been accused of being aggressive, bullying other claimants, violating previous agreements and international law, militarizing the features, undermining the *status quo*, generating instability, being out of step with international rules and norms, and threatening freedom of navigation. Some of these allegations may be accurate—especially from the perspective of rival claimants and their supporters. But other claimants and countries like the United States, Japan and Australia as well as international media and analysts have been very one-sided in delineating and emphasizing China's 'transgressions'. Indeed, it is rare to find in the international media an article or opinion piece on the subject that is not biased against China. To contribute to balance in public information, the following is a one-sided litany of the sins of other claimants and actors from what I presume to be China's perspective.

While China demonstrated restraint, and others—including the United States, Japan and Australia maintained a studied silence—other claimants unilaterally and illegally occupied features that China considers its sovereign territory. They then altered the features by adding to them, built structures, ports and airstrips, and allowed access for their militaries. Adding insult to injury they appropriated the largest and most desirable features for themselves leaving only the dregs and submerged features for the 'rightful sovereign'. Now that China is trying to 'catch up' by occupying and

modifying some features itself, others with tacit U.S. support have had the gall to accuse it of not exercising "self-restraint" and thus violating the 2002 ASEAN-China Declaration on Conduct of the Parties in the South China Sea (DOC).

China believes that the other claimants have also violated the self-restraint provision by continuing or maintaining their reclamation and construction activities since 2002. More significant, China feels that the other claimants have violated what it considers the most important DOC provision of all: "to resolve their territorial and jurisdictional disputes through friendly consultations and negotiations by sovereign states directly concerned". To China the Philippines complaint to the International Tribunal for the Law of the Sea was an unfriendly violation of this basic principle. China thinks the other claimants are also violating international law by undertaking unilateral activities in disputed areas that change the nature of the area. Thus China has responded in like manner. But in doing so China has been perceived as a 'bully' by the smaller countries. Unfortunately this perceptual difference is normal regarding interactions between large and small countries.

Indeed, this term is often used by smaller countries to describe the actions of the U.S.

As for the greater scale and scope of China's construction activities, it believes that they are commensurate with its responsibilities and capabilities as the world's most populous country with the world's second largest GDP and third largest area. For China the issue is violation of principle-- not scale and scope. It would probably argue that the comparison should be of land area created per country size, population or GDP.

To China, the former Western colonies have been stealing its fish and petroleum in collaboration with outside Western entities. More specifically, the Philippines involved a naval vessel in the standoff at Scarborough Shoal—a clear threat of use of force. Regarding its drilling on what it considers its continental shelf in the Gulf of Tonkin, Vietnamese fishing boats violated its declared safety zones and harassed and rammed Chinese civilian boats in disputed areas. Moreover, the Philippines, Malaysia and Vietnam have arrested Chinese fishermen for fishing in disputed waters.

Most galling to China is the fact that the other claimants have welcomed the U.S.— which China believes is trying to contain and constrain it—and even its former arch enemy Japan to 'intervene' in the issues and to participate in joint military exercises in the area. The claimants have also echoed the U.S.'s false accusations that China is threatening commercial freedom of navigation. Moreover the U.S., the Philippines and Vietnam have hyped as a bogeyman the possibility of China declaring an Air Defense Identification Zone in the South China Sea—a device the U.S. and its Asian allies introduced to the region and that it views as perhaps necessary for it to fend off provocative intelligence probes by the U.S. To top it off, the U.S. is threatening to fly and sail military assets in Freedom of Navigation exercises over and through China- claimed areas- in blatant violation of China's laws.

Yes, this reads like a diatribe against the other claimants and actors. It is supposed to. This is how much of the rhetoric from rival claimants and Western media and analysts sounds to China. The point is that a one sided perspective is unhelpful and only stimulates resentment and backlash by the target. This is the case with the current one-sided criticisms of China.

Yes, in the eyes of other countries China has behaved badly. So have other claimants—and the U.S.—in China's view. All need to tone down their rhetoric, incorporate balance in their analyses and public statements and be realistic in diagnoses, prognoses, proposals and prescriptions. Above all is a need to promote principles—not propaganda and prejudice.

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