



ICAS BULLETIN

Institute for China-America Studies

A Bimonthly Survey of Research and Analysis 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.

[View Past Issues of the ICAS Bulletin](#)

[Subscribe to the ICAS Bulletin](#)

Publications

Xi Jinping on the Global Stage

Robert Blackwill and Kurt Campbell

Council on Foreign Relations Special Report No. 74, February 2016

This major report discusses Xi Jinping's leadership style, consolidation of power, and ideas in the context of his foreign policies, which they describe as a sophisticated blend of soft and hard tactics. The authors contend that Xi's consolidation of power leaves him both more powerful but also more "exposed" than his recent predecessors in the sense that he has personally taken on more responsibility. As China's economy slows, they worry that Xi will lean more on nationalism to preserve the legitimacy of the CCP, meaning that Xi may be less able to compromise with foreign leaders where national pride is at stake. This adds to another problem already faced by US observers, namely, that during Xi's tenure it has become more difficult for outsiders to understand the Chinese policymaking process. The authors recommend a continuation of the US "pivot" policy in such a way that the US can maintain primacy in Asia. However, rather than "containing" China, this policy seeks to reinforce incentives for China to continue participating in existing patterns of rule-based behavior, and raise the costs associated with altering those patterns.

Security Stability in East Asia

William Douglas

Asian Perspective, 40:1 January-March 2016

Douglas discusses different views of security stability in Asia and argues that the best arrangement is a balance of power in which no party is thought to be capable of domination. He puts forth the 19th Century “Concert of Europe” as a model of such an order. Douglas notes that this idea was commonly discussed in American circles in the past, but has mostly disappeared from policy conversations in the last two or three years. Nonetheless, he finds the conditions for a stable East Asian balance of power to be “propitious” even now, given that the US’s security doesn’t genuinely depend on dominating the Western Pacific, and China—if it can keep its nationalism in check—doesn’t have any genuine interests that require threatening its neighbors’ security.

Washington Responds to Chinese Missiles in the South China Sea

China’s placement of surface-to-air missiles on Woody Island (Yongxing) in the Paracel island group captured the attention of Washington in mid-February and inspired much commentary. For many Americans, this action constituted an act of “militarizing” the South China Sea in a manner thought to be inconsistent with earlier pledges from Xi Jinping. Some commentators interpreted the presence of the missiles to mean that China views US commitment to be weak, whereas others argued that it was a tit-for-tat response to overly provocative freedom of navigation operations carried out by the US Navy. Some pointed out that the missiles themselves do not confer any significant strategic advantage beyond what is already provided by Chinese aircraft basing assets on the island, but that they nonetheless suggest a program of extending China’s “anti-access” capabilities southward into the South China Sea. A sample of commentaries is provided below.

China’s South China Sea Missiles—Paracel Islands

Arthur Herman

Hudson Institute, February 17, 2016

Seeing the Forest Through the SAMs on Woody Island

Michael Green, Bonnie Glaser and Zack Cooper

CSIS Asia Maritime Transparency Initiative, February 18, 2016

Asian Escalation: Why China Picked Woody Island for its first South China Sea Missiles

Michael Auslin

American Enterprise Institute, February 18, 2016

China's Naval Modernization: Where is it Headed?

Timothy Heath

World Politics Review, February 10, 2016

RAND Scholar Timothy Heath discusses new developments in China's naval capabilities and military doctrine. As stated in the 2015 white paper on military strategy, China's navy is now prepared for a combination of near seas and far seas contingencies. This reflects China's growing overseas commitments, but also, according to Heath, a willingness to challenge US leadership in the Asia-Pacific region. Heath views recent developments in the South China Sea as part of a broader plan to deny the US Navy access to its near seas. He expects further developments along these lines as well, such as patrols by Chinese ballistic missile submarines. While the interests of the US and China overlap in far-seas operations (countering piracy, for example), Heath recommends that the US Department of Defense invest in its capabilities to offset China's recent activities.

Mountains out of Molehills: The Pentagon's Big Lie about the South China Sea

Greg Austin

The Diplomat, February 24, 2016

Austin takes on the recent issues of the second US Navy freedom of navigation operation (FONOP) and China's deployment of advanced surface-to-air missiles on Woody (Yongxing) Island in the Paracel group. Overall, Austin finds that US commentary on the South China Sea is overblown and insufficiently objective. This is in part due to deliberate misrepresentation by the Pentagon regarding what is at stake: according to Austin, the Pentagon routinely implies that commercial navigation is jeopardized by Chinese activities but in truth it is only US Navy operations that are affected. American commentators are prone to conflating events in the Spratly and Paracel island groups, even though the political circumstances are rather different from one to the other. He points out that recent promises from Xi Jinping not to "militarize" the South China Sea explicitly referred to the Spratly Islands, and China seems not to consider the emplacement of defensive weapons to constitute militarization anyway. On the other hand, while Austin sides with the United States' view on UNCLOS and freedom of navigation, he notes that it is understandable for China to view the FONOP program as overly provocative. This, to Austin, facilitates a counterproductive tit-for-tat dynamic.

The Importance of Sunnylands for US-ASEAN Relations

Lyle Morris

The RAND Blog, February 24, 2016

Morris highlights the symbolic value of the ASEAN Summit that took place mid-February in Sunnylands, California. He notes that this summit was the first ASEAN Summit to be held in the United States, which shows that the US is prioritizing its relations with the region. According to Morris, ASEAN represents an important and increasingly critical component of the United States'

rebalance policy in Asia. Despite the fact that some critics have viewed the summit and the joint statement as failures because they did not explicitly address the tensions caused by China's land reclamation and perceived militarization of the South China Sea, Morris still views the summit as a great success. He shows that specific parts of the Joint Statement, specifically the seventh and eighth clauses, contain subtle but significant language that clearly target China's coercion in the South China Sea. Through this declaration and the summit, Morris believes that US and ASEAN leaders reached an agreement on the need for states to conform to the principles of UNCLOS and international law and to refrain from the threat or use of force.

Events

Banyan Tree Leadership Forum with Daniel Kritenbrink

CSIS, February 26, 2016

Senior Director for Asian Affairs at the National Security Council, Daniel Kritenbrink, discussed the achievements of the US-ASEAN Special Leaders' Summit. Kritenbrink outlined four main objectives of the summit: declaring a firm commitment to a rules-based regional and international order; emphasizing the range of issues benefiting from US-ASEAN cooperation; establishing the strength of President Obama's rebalance strategy; underscoring ASEAN's importance to the US and the value of deepening US cooperation with the ASEAN region. Kritenbrink discussed the Sunnylands Declaration, which lays out seventeen principles that affirm the common vision and will guide US-ASEAN cooperation. This statement of principles demonstrates the deep agreement the US and ASEAN has across a host of issues, including the economy, human rights, and adherence to the rule of law. Kritenbrink underscored that the main focus of the summit was US-ASEAN relations, and not China, even though China is an indispensable player in the region.

Statesmen's Forum: Wang Yi, Minister of Foreign Affairs for the People's Republic of China

CSIS, February 25, 2016

Minister Wang began his substantial address with a discussion of the fundamentals of China's economy before describing the character of China's new, more "proactive" foreign policy and addressing several major foreign policy issues. China's economy, according to Wang, is successfully undergoing a difficult transition to a consumer spending model. He observed that now, for the first time ever, consumption was the greatest driver of growth in China. He then identified a series of five tasks presented to China's diplomacy: to help other nations better understand China and Chinese socialism (a system which he said will never be exported to other countries); to support the international system, including the UN Charter and the system of global open trading while making reforms such as those to the IMF as needed; to actively defend China's development; protect growing overseas interests; to play a role in the global resolution of disputes. He discussed China's opposition to North Korea's nuclear program, but also argued that the US and South Korea's plans to deploy a THAAD missile system on the peninsula threaten

China's legitimate security interests. On the US-China relationship more generally, he noted that the common interests of the two nations outweigh their differences, and claimed that China will not and cannot replace the United States given the drastically different nature of the Chinese and American outlooks on the world. In response to a question from the audience he discussed what he thought were the key differentiating features between the US and Chinese visions of world order, which included a critique of the United States' perceived hegemonism and violations of the norm of sovereignty.

Balancing Cooperation and Competition in US-China Relations

Brookings, February 19, 2016

Ambassador Su Ge of the China Institute for International Studies discussed the Korean Peninsula, the South China Sea, and other issues with Cheng Li, Kenneth Lieberthal and Jonathan Pollack, all of Brookings. Su pointed out bright spots of cooperation between the US and China, including on cybersecurity. The panel noted a few areas where the US and China talk past one another or fail to recognize the aims of the other's policy, including China's perceived softness on North Korea and a lack of clarity from both countries regarding their interests in the South China Sea.

China's "Internet Sovereignty" Initiative: Origins and Consequences

CSIS, February 29, 2016

Panelists discussed China's "internet sovereignty" initiative, possible consequences of its widespread adoption, and the World Internet Conference that occurred in Wuzhen. James Lewis began the discussion with his interpretation of internet sovereignty and how an adoption of this principle would change how the Internet is governed. In his view, national sovereignty applies to cyberspace and is subject to international commitments. He notes that Americans do not like to admit that national sovereignty applies to cyberspace and the Chinese do not like to admit that they are bound by international commitments. The boundary between national controls and extraterritoriality is an issue that remains to be resolved. In her discussion, Amy Chang argued that China's interest in cyberspace and cyber-strategy is greatly influenced by its goal of preserving the power and legitimacy of the Chinese Communist Party, and this is evident in many of their policy developments. In her view, however, if China maintains its tight grip on internet governance and cybersecurity, it will ironically close itself off from the world and undermine its legitimacy domestically. The impact of China's internet sovereignty on business was the topic of John Lenhart's presentation.

Commentary

China-US Relations and the May 2016 Philippine Elections

Rommel Banlaoi

Presidential campaigns for the May 2016 elections just kicked off in the Philippines. Though all candidates pay greater attention to perennial domestic issues of poverty, employment, crimes and corruption, one major foreign policy concern that should inevitably top the agenda of all presidential aspirants in the Philippines is the country's strategic relation with two competing world powers: China and the US.

Whoever becomes the next Philippine president, there is one stark reality in Philippine foreign and security policy that it is utterly mission impossible to alter: the "rock solid" security alliance of the Philippines with the preeminent superpower, the US. The Philippine Supreme Court's most recent decision declaring the Enhanced Defense Cooperation Agreement (EDCA) as constitutional provides a strong legal backing for the enhancement of this enduring alliance. The decision also binds the next Philippine president to vigorously embrace this alliance by seriously implementing the EDCA, especially in the context of China's growing political and military presence in the South China Sea.

With EDCA, Presidential aspirants will no longer debate about the need to increase the rotational presence of American troops in the Philippines. The major debate will focus instead on reducing EDCA's nagging social costs, like the unintended violence against women resulting from the rampant prostitution associated with American presence. Environmental concerns may also be raised as more US military activities in the Philippines may also create long-term pressures and damages to the country's ecosystem, particularly in eight initial locations already offered by the Philippine government for use of American troops.

In these eight vital locations, the US can build its facilities inside Philippine bases to support American military activities not only in the country but also in the wider Asia Pacific region. Military activities include joint and combined military exercises, capacity building training, humanitarian assistance and disaster response, and maritime domain awareness, among others.

Most presidential candidates welcome American presence in the country because of the anticipation that it can provide the needed deterrence against China's assertive actions in the South China Sea. But China is very wary of EDCA and the subsequent increase in US military presence in the Philippines because of Beijing's long-standing fear of American containment.

China is still undoubtedly suffering from an acute paranoia of American military presence because of the strong apprehension that the US is unnecessarily targeting China as a result of their growing major power rivalry in the 21st century. Presidential candidates in the May 2016 Philippine elections are aware that the Philippines is bitterly caught in the middle of this

seemingly inevitable major power struggle.

Thus, one of the hard choices that the incoming Philippine president will take is how to effectively deal with China, particularly in the context of the worsening territorial and maritime disputes in the South China Sea. Given the reality of Philippine alliance with the US, will the next Philippine president repair its damaged relations with China? There are some opportunities for the next Philippine administration to improve its ties with China.

First, Manila's accession to the China-led Asian Infrastructure Investment Bank (AIIB) provides opportunities for the Philippines and China to cooperate in economic fields. Strong cooperation in economic areas has a tendency to spill over to other functional areas of cooperation. Cooperation in one functional area can spread to others until the habit of cooperation is strongly established. If the Philippines and China form this habit of cooperation, both countries can build the necessary confidence to work through their differences in the South China Sea disputes. Overcoming their differences is essential in the creation of the strategic trust required for more amicable and fruitful bilateral ties.

Second, the result of Philippine international arbitration case against China can encourage the next Philippine administration to resume its bilateral talks with China because Manila will have the needed legal leverage to deal with Beijing. It will become more practical for the Philippine government to resume its bilateral talks with China in the post-arbitration period. Otherwise, China will harden its position further making it more difficult for the Philippines to conduct its own activities in the contested areas.

However, if the next Philippine president decides to continue the overly pro-Americanism of the current administration, repairing the damaged relations with China will be very onerous. Excessive pro-Americanism will even exacerbate the already ailing political ties between Manila and Beijing.

The May 2016 Philippine elections need to ensure that the next Philippine president has the necessary statecraft to balance its relations with China and the US. Just like other Southeast Asian leaders, the next Philippine president must learn how hedge with these two competing world powers in pursuit of Philippine national interests.

Dr. Rommel C. Banlaoi teaches at the Department of International Studies at Miriam College, the Philippines. He is the Director of the Center for Intelligence and National Security Studies (CINSS), Chairman of the Philippine Institute for Peace, Violence and Terrorism Research (PIPVTR), and Vice President of the Philippine Association for Chinese Studies (PACS).