

## ICAS Bulletin

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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. To receive the ICAS bulletin via email, please notify us at [icas@chinaus-icas.org](mailto:icas@chinaus-icas.org).*

#### **Publications**

##### **Has US China Policy Failed?**

Harry Harding

*The Washington Quarterly*, Fall 2015

Harding discusses what he describes as a widespread “disappointment” within the United States about the success of its China policy over the last several years. This disappointment takes many forms: China’s domestic political climate, its investment climate and trade practices, then its apparent refusal to become a “responsible stakeholder,” followed more recently by assertiveness and willingness to create institutions that are perceived to threaten US leadership. While Harding claims the disappointment is widely felt in the US, there is little consensus on the causes or implications of Chinese behavior. He describes US thinking on China policy as being divided into three camps, a “stay the course” camp, a “strike a deal” camp and a “toughen up” camp (examples from each are, respectively, Thomas Christensen, Lyle Goldstein, and Ashley Tellis). He notes with interest that each of these camps has become disinterested in pushing for political reform within China. Harding concludes by observing that many old assumptions about China have been invalidated over the past few years (e.g., that it would look more like the US politically as it developed economically; that its economic model was ultimately unsustainable). This has left analysts of US policy in agreement about the unsatisfactory nature of current approaches, but has not engendered any consensus on a future direction.

### **The Repercussions of Realignment: United States-China Interdependence and Exchange Rate Politics**

Robert A. Galantucci

*International Studies Quarterly* No. 59, 2015

Galantucci shares the results of a quantitative analysis of voting patterns in the US Congress on bills relating to currency issues between the US and China. He observes that, as expected, in Congressional districts with domestic producers which compete with Chinese imports, legislators are likely to support bills challenging Chinese currency policy. However, Galantucci also finds that in many other districts there are significant business constituencies that push legislators to oppose currency bills out of concern for disrupting the overall US-China economic relationship.

### **The New Silk Road: Xi Jinping's Grand Strategy for Eurasia**

Theresa Fallon

*American Foreign Policy Interests* 37:3, 2015

Fallon describes the “Belt-and-Road” (B&R) initiative as an expansible, flexible way of tying together many strands of Chinese foreign policy with a view toward cementing its great power status. Driven by three main concerns, energy, security, and markets, the Belt-and-Road projects will significantly impact the character of international politics throughout Eurasia. To Fallon, B&R can be a “tool in the framework of strategic competition with the United States and Japan.” China also allegedly sees B&R as providing the EU an opportunity to “balance between East and West” which may impact the TTIP negotiations.

### **China's Counterbalance to the American Rebalance**

Douglas H. Paal

Carnegie Endowment for International Peace, November 1, 2015

Paal describes the last few decades of US-China relations and divides them into a period of “ten good years” prior to 2008 and a period since 2008 marked by increased tension between China and its neighbors and the United States. During this latter period, the United States sought to return its attention to Asia via its poorly-named and poorly articulated (to Paal) “pivot” strategy. Paal describes China's most recent behavior—creating the AIIB, instigating the Belt-and-Road initiative—as “attempting correct some of the self-inflicted damage done to its reputation since 2008, and to offset, or counterbalance, the American rebalance in Asia.”

### **Establishing new dialogue between the Chinese and US Congresses**

Hu Gaochen

*PacNet #74*, Center for Strategic & International Studies, November 2, 2015

The author argues that because of their respective roles in creating national strategies, the US Congress and Chinese NPC and CPPC need to develop mechanisms for dialogue on strategic issues, particularly nuclear strategic stability and non-proliferation issues. The author proposes a multi-level dialogue, first between Congressional staffers with

expertise and appropriately knowledgeable Chinese counterparts, before establishing a forum for senior leaders from both legislatures.

### **The USS *Lassen*'s Freedom of Navigation Exercise**

*The transit of the US Navy destroyer USS Lassen within 12 nautical miles of Subi Reef in October generated much discussion in the United States about the Navy's freedom of navigation operations as well as some uncertainty regarding exactly what kind legal assertion the US had intended to make. While the American press at times mistakenly interpreted the operation as a challenge to Chinese sovereignty over Subi Reef, all experts familiar with the subject understood it as an assertion of navigation rights only. Nonetheless, there was further uncertainty about which rights the Navy intended to be exercising: was it asserting a right of unannounced innocent passage through a territorial sea, or was it signaling that it regarded the waters around Subi Reef to be high seas? Other voices contended that the Navy's method of asserting its interpretation of UNCLOS was counterproductive. This selection of articles represents some of this discussion.*

#### **Washington's Muddled Message in the South China Sea**

Keith Johnson and Dan De Luce  
*Foreign Policy*, November 5, 2015

#### **What Did the Navy do in the South China Sea?**

Adam Klein, Mira Rapp-Hooper  
*Lawfare*, November 4, 2015

#### **How Will China Respond to Future US Freedom of Navigation Operations?**

Timothy Heath  
RAND, October 29, 2015

#### **The US Navy Has Sailed Past China's Artificial Island-And Must Do So Again**

Congressman J. Randy Forbes  
*The National Interest*, October 30, 2015

#### **How the US FON Program is Lawful and Legitimate**

Jonathan Odom  
Asia Maritime Transparency Initiative, October 30, 2015

#### **Dangerous "Assertions" of the Freedom of Navigation**

Amitai Etzioni  
*Huffington Post*, October 28, 2015

#### **The US Navy's Freedom of Navigation Operation around Subi Reef: Deciphering US Signaling**

Bonnie Glaser and Peter Dutton  
*The National Interest*, November 6, 2015

## Events

### Update on US-Asia Policy: A Conversation with Daniel Russel

Asia Society, November 4, 2015

Russel, the Assistant Secretary of State for East Asian and Pacific Affairs, discussed the United States' Asia policy in broad terms, but also addressed several issues in the US-China relationship. He reiterated the position that the US is concerned with maintaining a rules-based order, and is not interested in becoming involved in sovereignty disputes in the South China Sea. He cast the issue in broad terms by stating that the issue "isn't about rocks, it is about rules." He emphasized that the United States does not "agree to disagree" with other nations on any issue—if it disagrees with another nation it will declare so openly and will not silence itself regarding a disagreement in order to achieve cooperation in other areas. He described US aims to reassure both its allies and China, but also demonstrate resolve. Reassuring China requires dialogue and transparency in order to clearly demonstrate US intentions to China. Reassuring US allies requires convincing them that the US will neither form a "G2" with China nor pursue a cold war with it.

### Security Challenges in East Asia

Wilson Center Kissinger Institute, November 9, 2015

The National Committee on American Foreign Policy and the Wilson Center's Kissinger Institute on China and the United States and Asia Program discussed security challenges in East Asia in light of recent high-level meetings in Taipei, Beijing, Seoul, and Tokyo. The speakers included Ambassador J. Stapleton Roy from the Kissinger Institute, Gerald Curtis from Columbia University, Evans Revere from Brookings, and Rear Admiral Michael McDevitt from the Center for Naval Analyses. McDevitt discussed the implications of the DPPs expected win in the upcoming Taiwan elections. Roy discussed the recent Fifth Plenum in Beijing, and Revere and Curtis discussed South Korean and Japanese perspectives, respectively.

## Commentary

### **The United States and China: Different Perspectives on the Belt-and-Road Initiative**

Lin Yongxin

It has been two years since Chinese President Xi Jinping proposed the "Belt-and-Road Initiative" (B&R) in 2013. The implications and overall framework of B&R have become increasingly clear through progress made in so called "early harvest" programs in the Mongolia-Russia economic corridor and Sino-Pakistan economic corridor. Nonetheless, the United States has maintained a strategic suspicion towards B&R, and its mistrust has only increased with the prospect of more infrastructure projects throughout Southeast Asia. The perception gap regarding the meaning of Chinese

development in Asia can be attributed to the two countries' different perspectives on economic development, national security and culture.

Many in the US believe that B&R is primarily a strategic tool for China to increase its political influence in the region. As a result, whether they view B&R from macro, strategic level or micro, project level, their perceptions are framed by this preconceived notion. Specifically, Americans tend to ascribe three strategic motivations to China in its pursuit of B&R. First, they often view B&R as China's strategy to expand its national influence westward through land routes—through Central Asia, South Asia and eastern and western Europe—and to extend its strategic influence through sea routes—through the Indian Ocean and the South Pacific. Second, many Americans see China aiming to strengthen economic cooperation with countries along B&R routes in order to offset the adverse impacts resulting from the US-led TPP—in short, to counteract the United States' "rebalance" policy. At the same time, they view China as seeking to gradually expand political and military cooperation with countries along the routes to counteract to the US military deployment and strategic deterrence in Asia. Finally, Americans tend to see China as seeking to obtain regional dominance and to participate in global rule-making, thereby challenging the global hegemonic status of the US. Especially with the establishment of Asian Infrastructure Investment Bank that will financially support B&R projects and includes the participation of advanced economies like the UK, France and Australia, Americans view the US-led global financial order as being challenged by Chinese activities.

In truth, China views B&R as a transitional strategy for the country to deal with the coming structural changes in its economy and slowing growth, and to digest the impact of its previous economic stimulus. This is a sound economic strategy given the current weak international economy. China aims to improve economic and human development—for both itself and the countries along B&R routes—through investments such as infrastructure development and trade and industry cooperation. It proposes that neighboring countries jointly build, develop and share the "new silk road" without any intention to seek regional dominance. In short, B&R is neither a concrete mechanism nor a security strategy. It is a comprehensive goal for development and a framework for economic cooperation. Therefore, existing joint projects and joint mechanisms like the Shanghai Cooperation Organization can be incorporated into this framework and play a role. On the other hand, B&R can also instill new energy into existing joint projects and joint mechanisms. Therefore, B&R conforms to typical Chinese foreign policy doctrine, namely that China is committed to maintaining an international system led by the United Nations with a view towards participating but also facilitating the improvement and reform of its cooperative mechanisms.

There are evident differences between China's and United States' perceptions of B&R. When exploring the underlying logic used by each country, Henry Kissinger's observations spring to mind: Chinese tend to seek others' understanding while Americans seek others' conformity; the US tends to treat problems in terms of rules

whereas China tends to regard problems in the context of history. From my perspective, there are two further reasons. On the one hand, confronted with the rapid rise of China, the US as the global hegemon becomes increasingly cautious and anxious, becoming suspicious of any proposals or plans that could affect the current international order. From this perspective, even if the current international order suffers obvious defects or inadequacies, the US would nonetheless avoid confronting these problems. On the other hand, the US in its role of security guarantor has important influence in security matters in many parts of the world, yet its economic influence in certain regions (such as Southeast Asia) is relatively weak. As a result, it is easy to see that in considering B&R's impact on its regional influence, the US automatically frames the initiative in terms of security and seeks to respond accordingly.

Disagreements between the two countries with regard to B&R are not irreconcilable. China and the US are highly dependent on one another as economic partners. The bilateral relationship benefits from both deep shared experience and an effective communication platform in the form of the Strategic & Economic Dialogue. That being said, in all honesty what both countries currently lack is the right attitude for mutual dialogue. In the future, if China and the US can take the opportunity to build a "new model of major power relationship" and jointly explore a new model for global governance, the two parties' disagreements regarding B&R will naturally disappear.

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