

ICAS Bulletin

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A Bimonthly Survey of Research and Analysis on China-U.S. 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 U.S. are listed here alongside information about events at U.S.-based institutions. To receive the ICAS bulletin via email, please notify us at [icas@chinaus-icas.org](mailto:icas@chinaus-icas.org).*

## Publications

### **America Divided: Political Partisanship and U.S. Foreign Policy**

Chicago Council on Global Affairs Survey  
September 15, 2015

This study of American public opinion assesses differences between Republican, Democrat, and independent (no party affiliation) voters regarding foreign policy issues. The most drastic differences are in the issues of climate change and immigration. Republicans tend to place great importance on limiting immigration and have little concern for climate change, whereas Democrats are concerned with climate change but do not see immigration as a major challenge. There is great agreement across the American political spectrum that the U.S. should sustain an “active role” rather than “staying out” of world affairs. There is also a high level of agreement from one party to the next on the importance of maintaining “military superiority.” Both Republicans and Democrats put protecting jobs, preventing nuclear proliferation and combatting international terrorism at the top of their list of foreign policy objectives. China’s growing military power is the 11<sup>th</sup> greatest concern of both Republican and Democrat voters. Minorities of each party find China’s military or economic growth to be “critical threats” to American interests.

**The U.S.-China Military Scorecard**

RAND Corporation, September 2015

This major study assesses relative U.S. and Chinese military capabilities along ten dimensions and with regard to several hypothetical scenarios of militarized conflict. It finds that “trend lines are moving against the United States across a broad spectrum of mission areas,” but that in some areas U.S. capabilities “remain robust or even dominant.” It also notes that for a variety of reasons, the PLA doesn’t need to “catch up” to the U.S. in terms of military sophistication in order to “jeopardize the U.S. ability to achieve operational objectives in several key conflict scenarios.”

**One Belt, One Road, One Pivot**

William Overholt

*Global Asia* 10:3, September 26, 2015

Overholt argues that China’s Belt-and-Road initiative provides a good opportunity for cooperation between the U.S. and China. According to the article, China’s ambitions for infrastructure and economic development across Asia will likely require help from the E.U. and the United States in order to succeed. The U.S. on the other hand, has the opportunity to diversify its approach to Asia by engaging with China’s initiative. According to the author, American foreign policy since September 11 has become dominated by military issues. American cooperation with China on Asian trade and infrastructure would offset the negative elements in the U.S.-China relationship and help realize the “Asia pivot” as a comprehensive strategy for engagement in Asia rather than a mere reshuffling of military assets.

**How China Shot Down its Own A2/AD Lawfare Strategy**

Jonathan Odom

The National Interest, October 8, 2015

Odom discusses the legal significance of Chinese naval activities including the recent transit of vessels through U.S. territorial waters in Alaska. To Odom, this episode demonstrates that the PLAN accepts the legitimacy and understands the utility of the UNCLOS principle of “innocent passage” through other countries’ territorial seas. Moreover, Chinese surveillance and reconnaissance activities in the United States’ Exclusive Economic Zone off Hawaii and Guam demonstrate that China accepts the legitimacy of such activities generally. Odom argues that these developments show that China has transitioned to supporting rather than undermining UNCLOS principles of freedom of navigation.

**China and the U.S. Need to See Eye-to-Eye: It's in Their Interests**

Kevin Rudd

*The Guardian*, September 23, 2015

Rudd lists the many issues that have contributed to recent difficulties in the China-U.S. relationship and notes the general pessimism and hawkishness that has arisen in both countries as a result. He suggests that all of the negative commentary overshadows the fact that both the U.S. and China have significant shared interests in global stability and predictability. What the two countries need at the moment, according to Rudd, is a new “common strategic narrative” that can serve as an organizing principle for stability in the relationship.

**Reserving Differences while Finding Common Ground**

David Shambaugh

*China-U.S. Focus*, September 28, 2015

Shambaugh contends that U.S.-China collaboration on global governance issues is a promising area for strengthening bonds between the two nations and finding a “glue” that can help with the overall relationship. He notes that partnering with China on global issues has always been a priority of the Obama administration, and that China has recently become more receptive to this kind of engagement. Shambaugh argues that when it comes to substantive disagreements, high-level summits between the U.S. and China can be productive, and improve the general relationship. He recommends holding bilateral summits at six-month intervals.

**Lenin's Chinese Heirs**

Evan Feigenbaum and Damien Ma

*Foreign Affairs*, October 14, 2015

The authors discuss the relationship between China's recent economic management and President Xi's anticorruption campaign. They contend that, paradoxically, the economy is not Xi's top concern at the moment. Instead, political reforms meant to rebuild, consolidate and extend the reach of the CCP are the leadership's top priority. These goals will allow for future economic reforms that while necessary, would otherwise be politically infeasible. In short, Xi Jinping is willing to endure short-term economic hardships (in part brought about by disorder in the bureaucracies) in order to carry out his agenda of political reform. The article discusses the origins of the vested interests and crony capitalism that Xi is targeting, and locates them in the Jiang Zemin era's “Three Represents” campaign. Feigenbaum and Ma argue that whereas Jiang sought to incorporate business interests into the CCP in order to make the party more reflective of the economic establishment, Xi regards the party itself to be the rightful establishment and wants to “wrest back control.”

## Events at U.S.-based Institutions

### **Public Opinion, Foreign Policy and the Road to 2016**

Chicago Council on Global Affairs and Politico, September 15, 2015

This Washington event featured a discussion of the Chicago Council's recent report on American public opinion regarding foreign policy (see above). The report focused on differences in opinion between Republicans, Democrats, and independent voters in the U.S.

### **Chinese Thinking on Nuclear Weapons**

Carnegie Endowment for International Peace, October 6, 2015

Li Bin moderated a discussion about Chinese approaches to nuclear weapons featuring Fan Jishe and Pan Zhenqiang. General Pan gave an overview of Chinese strategy and doctrine and drew a distinction between China's delayed second strike approach and the American deterrence strategy, which he claimed was more coercive. Fan discussed patterns of change in Chinese nuclear thinking and discussed reasons for its evolution.

### **International Economic Governance and China's Rise: How Should the U.S. and Japan Respond?**

Brookings, September 30, 2015

Mireya Solis, David Dollar, Kenneth Lieberthal and Eswar Prasad addressed China's recent attempts to exert greater leadership in international economic governance, and what its recent activities tell us about China's intentions. Along with Saori Katada and Masahiro Kawai, they discussed how the United States and Japan should respond. Solis recommended that Japan and the U.S. not be exclusionary as China takes on a larger role in the world. Dollar noted that China's multilateral initiatives are constructive in that they engage other states and constitute some healthy competition for the IMF and World Bank. Prasad argued that it was important that Japan and the United States should not allow political disputes to interfere with their relationships with China regarding multilateral organizations. Katada and Kawai discussed how a lack of trust between China and Japan affects regional economic relations.

### **Sino-U.S. Colloquium VIII, Beyond the Current Mistrust**

Elliott School, George Washington University, October 5, 2015

This day-long event featured several prominent American and Chinese scholars. Panels discussed topics such as avoiding the "Thucydides trap," establishing a stable balance of power between the U.S. and China, global economic leadership and the containment/engagement debate in U.S. strategy. Video of only the first two panels

is available online. In his opening remarks, Amitai Etzioni shared his concerns about the U.S. and China becoming preoccupied with credibility and conflict over symbols. Kurt Campbell articulated a comprehensive view of U.S. engagement in Asia and shared his thoughts on how current trends in American domestic politics might affect its foreign policy. Graham Allison discussed his notion of the “Thucydides trap,” and Michael Swaine set down his plan for an adjustment in American military posture that he envisions would facilitate strategic stability in Asia.

### **Influence Operations: Chinese Political Warfare in East Asia and Beyond**

Heritage Foundation, October 6, 2015

The Heritage Foundation and Project 2049 Institute co-sponsored an event featuring Aaron Friedberg, Mark Stokes, Dean Cheng, Shih-Chung Liu, and Randy Schriver to discuss a wide range of issues related to Chinese strategic messaging, propaganda, public diplomacy and more. In his keynote address, Friedberg argued that the Chinese government engages in “political warfare” efforts meant to influence American interpretations of Chinese behavior, ultimately serving the purpose of slowing down U.S. responses to Chinese actions. He contended that many images of Chinese policy held by Americans are the result of careful and coordinated messaging campaigns originating in China that make use of sympathetic American elites and institutional assets like the Confucius Institutes and CCTV. Friedberg suggested that both “soft” and “hard” messages are relayed via such channels.

## **Commentary**

### **What Does the Future Hold for China-U.S. Relations in Cyberspace?**

Franz-Stefan Gady

The September 25 joint statements issued in parallel by the Chinese government and the White House on how to strengthen bilateral relations in cyberspace is the most positive development between the two countries in this field since the June 2013 Sunnylands summit.

Although not groundbreaking in its substance, the agreements—based on a Fact Sheet released by the White House—nevertheless establish a long-term framework for cooperation that may help reduce tensions in cyberspace between the two countries and furthermore solidify cyber-related issues as a top priority on the Sino-U.S. bilateral agenda.

Conversely, it is important to understand that the agreements reached are only a starting point and need to be followed up by more concrete and more clearly defined documents specifically addressing issues that have plagued the Sino-U.S. bilateral

relations in cyberspace from the start—issues such as questions over verification, terminology, and norms—otherwise real progress will not be likely.

The most talked about section of the joint statement outlines that both countries will refrain from engaging or “knowingly” supporting “cyber-enabled theft of intellectual property, including trade secrets or other confidential business information, with the intent of providing competitive advantages to companies or commercial sectors.”

This is an important diplomatic breakthrough. Curtailing Chinese state-sponsored cyber espionage activities has been the top priority of the Obama White House in the Sino-U.S. bilateral relationship in cyberspace for some time. Overall in the past year, the U.S. assumed a tougher U.S. stance on alleged Chinese state-sponsored cyberespionage activities.

For example, in April 2015, U.S. President Barack Obama signed an executive order establishing the first-ever sanctions program specifically designed to deter state-sponsored malicious activities in cyberspace on a strategic scale declaring such activities a “national emergency.”

In a separate analysis a few weeks back, I noted that by threatening sanctions, the Obama White House intends to elevate the subject of cyberespionage to a more strategic level between the two sides during bilateral discussions.

Thus, the Chinese concession to agree to a joint statement on this subject can be construed as a diplomatic victory for the Obama administration. However, in order to yield more concrete results, the Xi-Obama statement needs to be immediately followed up by a more comprehensive agreement.

For one thing, Chinese President Xi Jinping still maintains that his state is not collecting commercial intelligence and does not engage in cyberespionage therefore it is fair to assume that Xi could claim that the agreement does not apply to ongoing Chinese state-sponsored activities in cyberspace. Thus, it is easy for Beijing to support a new norm that the Chinese government insists it is following already.

Moreover, the statement contains the loophole that both sides only refrain from “knowingly” supporting the collection of commercial intelligence—a position that both countries had already agreed to in past meetings. This provision permits plausible deniability for both sides when caught: Commercial espionage is often outsourced to quasi-independent (“patriotic”) hackers over which both governments can claim that they have no control.

Last, the agreement only talks about refraining from collecting trade secrets rather than curtailing the passing on of intelligence to third parties (private companies) in order for them to gain a competitive advantage. However, practically every state in the world, including the United States, is engaged in collecting commercial intelligence and there is no agreed upon international norm against it. This could potentially

undermine the larger legal principle behind the agreement to abstain from cyber-enabled intellectual property theft as outlined in the White House Fact Sheet.

Interestingly, there are some hints in the statement that both sides are open to discussing the question of verification, something that the Chinese side in particular has refused in past dialogues. Both countries, the text reads, agree “that timely responses should be provided to requests for information and assistance concerning malicious cyber activities.”

Additionally, the statement reads that China and the United States “agree to cooperate, in a manner consistent with their respective national laws and relevant international obligations, with requests to investigate cybercrimes, collect electronic evidence, and mitigate malicious cyber activity emanating from their territory.”

To institutionalize this cooperation both sides agreed to establish a new high-level joint dialogue mechanism “on fighting cybercrime and related issues.” This effectively replaces the defunct U.S.-China Cyber Working Group (China suspended its participation after the indictment of 5 PLA members by the U.S. Justice Department in May 2014).

On the Chinese side, the Cyberspace Administration of China in close collaboration with the Ministry of Public Security will likely take the lead in this group. In addition, representatives from the Ministry of State Security, Ministry of Justice, and the State Internet and Information Office will also participate in the dialogue, according to the White House.

The U.S. Secretary of Homeland Security and the U.S. Attorney General, both co-chairing the group on the American side, will lead the U.S. delegation which will also include representatives from the FBI, the U.S. Intelligence Community and other agencies.

While this does not establish an intrusive verification mechanism per-se, it nevertheless is a step in the right direction and could have some spillover effects when it comes to U.S.-China CERT-to-CERT cooperation. Also, there are two concrete next-steps, which are noteworthy in this respect. First, there is an agreement to establish a cybercrime hotline in order to avoid an escalation of tensions in the event of a cyber-related incident. Second, both sides agreed that the first meeting will be held before the end of 2015 and that subsequent meetings shall occur twice per year. Given that there had been no official high-level contact on cybersecurity between both countries since May 2014, this is a notable achievement.

Furthermore, both sides want to establish an additional bilateral group made up of senior experts, presumably from the U.S. Department of State and the Chinese Ministry of Foreign Affairs, to re-ignite the discussion on norms of state behavior in cyberspace. In that respect, the White House Fact Sheet notes that the United States and China both “welcome” the July 2015 report of the UN Group of Governmental Experts in the Field of Information and Telecommunications in the Context of

International Security, which addresses norms of behavior and other crucial issues for international security in cyberspace.”

This UN report is a follow-up document to a June 2013 report, also published by the UN Group of Governmental Experts. The 2013 report concluded that “international law and in particular the United Nations Charter is applicable and is essential to maintaining peace and stability and promoting an open, secure, peaceful and accessible ICT environment.”

China was part of this working group and signed off on the report’s conclusion and recommendations, which stated that “state sovereignty and the international norms and principles that flow from it apply to States’ conduct of ICT-related activities and to their jurisdiction over ICT infrastructure with their territory; States must meet their international obligations regarding internationally wrongful acts attributable to them.”

As I pointed out in a previous analysis, this was not a new commitment and simply reflected pre-existing legal realities. However, it reiterated that China is technically responsible for preventing the use of its territory for aggression or sabotage against other states, although some Chinese legal scholars may disagree on this point. It also somewhat weakens China’s repeated defense that it cannot control the majority of cyberattacks launched against the United States from Chinese territory. The discussion of norms is thus an important necessity if both sides ever want to achieve enduring “peace” in cyberspace.

The larger question will be whether this set of agreements will lead to a decline in the number of cyber incidents over the next couple of months. While this remains doubtful, the new support mechanisms in place will help to depoliticize the debate surrounding cyberespionage and perhaps let both countries—in particular the private sectors in China and the United States—engage in more fruitful technical cooperation rather than mere finger pointing. Consequently, steps should be taken that future cyberattacks will not automatically derail this agreed-upon fragile framework, since it could yield some tangible results in the years to come.

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