

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.

Publications

Freedom of Navigation Assertions: The United States as World's Policeman

Amitai Etzioni

Armed Forces and Society, September 2015

Etzioni describes the U.S. Navy's Freedom of Navigation Assertion program and argues that unilateral assertions by military vessels are a counterproductive way to maintain freedom of the seas. He contends that while freedom of navigation is an important principle that is critical to the U.S. Navy, international institutions, multilateral mechanisms or bilateral discussions should solve disagreements over the interpretation of UNCLOS. The current program, in which Navy vessels demonstrate noncompliance with what it views to be "excessive claims" by littoral states, has been implemented in the waters of many states, including U.S. allies like Canada. To Etzioni, the program works to unilaterally enforce American interpretations of UNCLOS, even when many purportedly "excessive" claims in fact fall within reasonable interpretations of international law (e.g., requiring prior notification from parties transiting nuclear materials through territorial seas).

A Tale of Two Documents: U.S. and Chinese Summit Readouts

Bonnie Glaser and Hanna Hindel

Jamestown China Brief, 15:20, October 19, 2015

The authors discuss the significance of the lack of a joint document following last month's Obama-Xi summit. They maintain that this in part reflects the fact that the U.S. and China have an increasingly difficult time agreeing on a broad strategic vision, especially since the Obama administration has largely abandoned the rhetoric of building a "new model" of great power relations. The White House document focuses on concrete bilateral steps on an issue-by-issue basis, since according to Glaser and Hindel, it has largely given up on forging a strategic partnership with China. The Chinese document, on the other hand, casts the U.S.-China relationship in broadly cooperative terms, and seeks to portray the visit as positive and the relationship sound. To the authors this suggests that Xi Jinping's motives are to project both "power and prudence" in order to reassure international audiences desirous of stability, and domestic audiences seeking respect and assurance that China's strategic window of opportunity is not being closed by competition with the U.S.

Regional Security Outlook

Council for Security Cooperation in the Asia Pacific

October 2015

This summary of security issues in the Asia Pacific region includes essays on the South China Sea disputes, the new model of major country relations, the U.S. "pivot" and several other regional issues.

China, Inside and Out: A Collection of Essays on Foreign and Domestic Policy in the Xi Jinping Era

RAND Corporation, October 2015

This anthology of short essays by RAND scholars covers such topics as the strategic priorities of the PRC, military-military ties between the U.S. and China, Chinese maritime law enforcement activities, and its aircraft carrier program. The collection also includes essays on a number of Chinese domestic policy issues.

One Month Later: What Are the Long-Term Implications of Xi's U.S. Trip?

Huang Yukon

Carnegie Endowment for International Peace, October 23, 2015

Huang explores the disparities between the U.S. and Chinese fact sheets on the Xi-Obama summit. He points out how the prioritization of issues is markedly different from one country to the next—for example, cyber issues are a top American concern but appear as the 48th out of 49 issues discussed on the Chinese readout. These

disparities are not surprising given the great differences between the two nations. Huang mentions how disparities in development levels drive many differences and even mutual misconceptions about economic power between the U.S. and China. This is especially noticeable in the issue of cyber espionage, with China considering information-gathering on strategic technologies to be a “security” rather than “economic” issue given its status as a developing country. Huang also notes that there is much room for improvement in perceptions between the two publics.

Events

Is U.S. Missile Defense Aimed at China?

Carnegie-Tsinghua Center (Washington), October 15, 2015

This event featured Theodore Postol and Zhao Tong discussing the implications of setting up U.S. missile defense technology in South Korea. While ostensibly oriented towards the threat of North Korean missiles, the technology in question raises concerns that it can constrain Chinese strategic capabilities. Postol argued that the U.S. was trying to sell the ROK on the short-range capabilities of the THAAD system, but was being disingenuous about its ability to serve as a long-range tracking system which, in conjunction with other U.S. assets could be part of a broad missile shield. Existing radar stations in Japan already provide sufficient warning against DPRK missile launches, according to Postol. He claimed it was understandable that Chinese officials would thus think that the system would be directed at China. Zhao observed that Chinese strategists have deduced from the U.S.’ history with the Soviet Union that the U.S. was committed to undermining Soviet nuclear deterrent capabilities. Moreover, Chinese analysts don’t think it is necessary for the U.S. to enhance its capabilities in monitoring DPRK missile activities, which raises suspicions about U.S. intentions with THAAD. In short, Chinese officials are skeptical that the U.S. truly wishes to maintain strategic stability with the PRC. Zhao listed reasons why it would be difficult in any case to separate a DPRK-directed system and one which undermines Chinese second-strike capabilities (the proposed radars could track missiles launched from Chinese submarines, for example), thus undermining strategic stability.

China’s Changing Relations with Developing Countries: Implications for U.S. Policy

Foreign Policy Initiative, Johns Hopkins School of Advanced International Studies
October 15-16, 2015

This two-day conference covered Chinese foreign policy in the developing world and implications for global governance and U.S. policy. Suisheng Zhao delivered a keynote address on the influence of the “China model” of economic modernization in the developing world. Mel Gurtov spoke on the impact of the “Chinese dream” on its foreign relations, and panel discussions covered topics of the changing international order, China’s development policies in Africa and assessing the impact of Chinese development programs.

Is there a China Model?

ChinaFile Conversation, Asia Society, October 16, 2015

Daniel Bell, Timothy Garton Ash, Taisu Zhang, Mark Danner and Orville Schell discussed the thesis of Daniel Bell's latest book, *The China Model: Political Meritocracy and the Limits of Democracy*. Bell contends that there is a nascent political theory in China that presents a coherent model of politics that is different than Western liberal democracy. He describes it as having democracy at local levels, experimentation in the middle, and meritocracy at the highest levels. Most of Bell's interlocutors were skeptical of his contention that there is in fact an emerging Chinese consensus around a new political theory.

Are the U.S. and China Long-Term Enemies?

Intelligence Squared Debate, New York, October 19, 2015

John Mearshimer and Peter Brookes debated Kevin Rudd and Robert Daly on the question of whether the U.S. and China are long-term enemies. Mearshimer built his affirmative argument around his theory of offensive neorealism. Rudd was very critical of the determinism implied by Mearshimer's theory. Daly argued that person-to-person and economic ties were too substantial for the two nations to consider one another enemies. In a sense all parties agreed that the U.S. and China were competitors in at least some domains, and also that conflict was unlikely. Much more contentious were the implications of Mearshimer's vision of international politics, namely, that it is in the best interest of the United States to inhibit the economic growth of China. Rudd and Daly found this to be either a morally or politically untenable position.

Assessing U.S.-China Relations after the Obama-Xi Summit

CSIS, October 20, 2015

Journalist Bob Scheiffer discussed the recent presidential summit with Kurt Campbell, Christopher Johnson and Demetri Sevastapulo. Campbell and Johnson discussed the summit as an indicator of what Xi Jinping expects of the U.S.-China relationship, including the expectation that the U.S. hold the bilateral relationship in special regard. The conversation moved on to discuss the leadership style of Xi Jinping and how this influences China's foreign policy. Campbell noted that Xi Jinping has taken on oversight of so many issues that many small problems in the U.S.-China relationship necessarily rise to the summit level. This marks a departure from previous mechanisms for regulating the relationship. On the South China Sea issue, Campbell suggested that China seeks to develop a "sphere of influence" in the region that is motivated by a new sense of great power status. He expressed concern that China seems to be saying that the South China Sea is no longer an international waterway. On the cyberspace agreement, Johnson indicated that it will now be easier for the U.S. to lodge complaints about cyber-incursions, but also noted that it was curious that the predicted agreement prohibiting cyberattacks on critical infrastructure was not finalized. On the relationship as a whole, Campbell predicted that the U.S. and China are entering a period in which they will encounter many

sources of friction but also areas of cooperation. He observed that managing such a “mixed relationship” is very new to the U.S., which doesn’t have much experience in dealing with states that are neither enemies nor allies.

Building Asia’s New Bank: An Address by Jin Liqun, President-Designate of the Asian Infrastructure Investment Bank

Brookings, October 21, 2015

President-Designate Jin made a far-ranging address on the future role of the Asian Infrastructure Investment Bank, the reactions it has elicited in the U.S., and its future relationship with other multilateral development banks. He said that the AIIB shows that it is time for China to return something to the international community, after having benefitted so much from the assistance of others in its own development. Jin claimed that the AIIB will not be a competitor, but rather a “sibling” to the World Bank, and that its mission will complement and not seek to replace the World Bank’s own rather different development approach. He stated that the AIIB is not solely a fund for China’s “Belt and Road” initiative, but will invest in projects throughout Asia. In response to questions about the U.S. and China establishing competing economic blocs, Jin said that China is interested in joining the Trans-Pacific Partnership and he believes it will do so in the future. He also noted that the door is always open for the United States to join the AIIB.

Commentary

Lessons from a Sino-U.S. Dialogue

Amitai Etzioni

A day-long Sino-U.S. meeting served more to flag issues worthy of further deliberation—by all concerned with U.S.-China relations—than to settle them. Among the most salient issues discussed during a recent meeting organized by The China Energy Fund and George Washington University is how far tension-reduction measures can take both nations to the promised land of peaceful co-existence. The same is true of exploring whether the two powers can strike a grand bargain or progress will be at best gradual.

While the meeting, which included a considerable number of Chinese and American scholars and former (and a few present) public officials, was very congenial, the presentations were accompanied by a surprisingly high level of pessimism. This mood was reflected in the discussion of the “Thucydides Trap,” which is understood to show that when a new power rises and the old power does not yield fast enough—or simply yield enough power—war is likely to follow. Many (for example John Mearsheimer) hold that war between the U.S. and China is a strong possibility and that China simply “cannot rise peacefully.” The optimists—led by Graham Allison—point out four exceptions to the “rule” out of 16 such developments since

1500; that is, the probability of peaceful resolution is assessed as a low 25%. Other speakers, who suggested various ways to avoid such an escalation, prefaced their comments by stating that they were pessimistic that such measures would be adopted. Statements by American presidential candidates during the current election campaign hardly add to one's optimism. The Republicans compete over who can be the most anti-China, and the currently leading Democrat, Hillary Clinton, used a rather harsh turn of phrase when she referred to a recent speech by President Xi as "shameful." The fact that the Trans-Pacific Partnership (TPP), launched by the U.S. and recently concluded, excludes China is a further reason for concern. Charles Glaser pointed out that most of the suggestions for accommodation presented during the meeting came from American participants. A Chinese participant suggested during the coffee break that Chinese representatives might be more forthcoming if in the future, such meetings were closed to the public.

Another Chinese participant, who asked not to be named, cited several historical documents that "proved" that the Senkaku/Diaoyu Islands were part of China. He expressed some surprise mixed with dismay that other nations did not concede this point. His comments suggest that China may not yet recognize that whatever gains it makes on this front will be vastly offset by the mobilization effects these gains have on Japan and the U.S.

Assuming that there is a willingness to avoid the Thucydides Trap, how far can tension-reduction or confidence-building measures take us? There is one major historical precedent that speaks directly to this question. At the height of the Cold War, President Kennedy gave the famous "strategy of peace" speech. It was followed by limited gestures by the U.S. (e.g., withdrawing its objection to granting full membership status to the Hungarian delegation, calling for reduced trade barriers between the East and West, and approving the sale of \$250 million in wheat to the USSR), which were reciprocated by the U.S.S.R. (e.g., withdrawing its objection to Western-backed proposals to send UN observers to Yemen and halting its production of strategic bombers). Several rounds of such gestures resulted in significant tension reduction, widely referred to as the *détente*. Note that these gestures were made unilaterally, rather than through bilateral negotiations, which are often very difficult to achieve and slow to bring about, but no additional efforts were made after each single unilateral gesture until the other side reciprocated. The same approach is now suggested for U.S.-China relations.

During Kennedy's time, some believed that such tit-for-tat tension-reduction measures could bring about all the changes needed to move from the Cold War to a period of peace and stability. Others argued that these measures could reduce tensions and open the way for bilateral negotiations but could not resolve major issues by themselves. Discussions during the U.S.-Sino meeting suggested that this issue is still unresolved, though in the case of the U.S. and U.S.S.R., the major breakthrough came many years later when Reagan and Gorbachev engaged in bilateral negotiations to achieve major reductions in nuclear arms. Thus there is one important example that points in favor of unilateral-reciprocated tension reduction followed by bi- or multilateral negotiations.

Finally, there was considerable give and take regarding the thesis that the U.S. and China could have a grand bargain. For instance, Charles Glaser argued that the U.S. should offer to end its commitment to Taiwan in exchange for China resolving its disputes in the East and South China Seas, and accepting U.S. military presence in the region. In contrast, Michael Swaine held that given the scope and depth of the two countries' differences, progress will have to be gradual.

As I see it, in either case, more room must be given to what might be called cross-silo negotiations and deals. There is a strong tendency to negotiate deals in one area or another: trade (e.g. the TPP); cyber security (e.g., "norms of behavior" for cyberspace); or "mil to mil" by the armed forces. However, some of the most promising deals might require concessions in one area in exchange for concessions in a rather different area.

To illustrate: The U.S. and China agreed in effect that the use of cyber tools for spying cannot be curbed; governments spying on other governments has occurred for as long as governments have existed and is very likely to continue. Both nations are also concerned about the use of cyber tools as kinetic arms that could damage the other nation's infrastructure, financial and communication systems. These are fairly symmetrical concerns; hence, a limited silo deal might be possible. However, in a third area, the U.S. is seeking respect for private intellectual property and for China to stop the use of cyber tools to hack private corporations. But such a limited silo deal would benefit only the U.S. The U.S. has very little interest in the intellectual property of China, whereas China has, at least in the past, benefitted greatly from violating American intellectual property rights. A potential cross-silo deal would entail the U.S. stopping the almost daily patrols of planes and trawlers up and down the Chinese coast in exchange for China curbing the hacking of corporations as best as it can. (An idealist may well argue that China need not be offered anything in order to get it to observe what is after all an established law and norm in international relations. However, obviously such fair sentiments are not doing the trick and hence incentives seem to be needed.)

One may well disagree about the merits of the suggested deal but still conclude that future China-U.S. meetings should move from identifying issues on rather high levels of generality to examining specific measures that could be taken in short order in a unilateral-reciprocal way to reduce tensions. These might then be followed by bilateral negotiations drawing on cross-silo deals.

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Predictable and Unpredictable Consequences of the *Lassen* Exercise Hong Nong

A U.S. defense official told CNN that the destroyer U.S.S. *Lassen* "conducted a transit" within 12 nautical miles of Subi Reef in the Spratly Islands on the morning of October 27 local time. Washington seems to be quite aware of Beijing's reaction to the U.S. patrolling in the South China Sea, given that it is a very sensitive topic for China. The U.S. claims that its action is justified as exercising the freedom of navigation in waters which it does not deem to be China's territorial sea under UNCLOS' definition, since Subi Reef is considered to be a low tide elevation (LTE) by the U.S. There could be many reasons driving the Obama administration's approval of the *Lassen* exercise, one of which may have been pressure from the Navy, which holds that there is a need to exercise freedom of navigation in the areas surrounding China's features subsequent to land reclamation. The U.S. Navy's freedom of navigation program seeks to establish precedents of noncompliance with what the U.S. deems to be "excessive maritime claims," i.e., those that do not comport with its interpretation of UNCLOS. Through the *Lassen* transit, the U.S. also intends to send a message to its allies in Southeast Asia, especially the Philippines, that it is willing to show China its military power. This move no doubt will invoke protests from China, while the reaction from Southeast Asia and other parts of the world will be mixed.

While both China and the U.S. claim that freedom of navigation in the South China Sea is a significant issue and both promise to guarantee FON in the region, the two countries obviously have different interpretations of the scope of freedom of navigation under the 1982 United Nations Convention on the Law of the Sea. China has never signaled that it intends to obstruct commercial shipping or flights across the South China Sea. The U.S.'s view is that freedom of navigation goes far beyond commercial shipping. China holds that certain types of military activities in foreign countries' Exclusive Economic Zones that might have impact on the marine environment or threaten the national security of a coastal state should not be protected by the principle of freedom of navigation. China is not the only country in the South China Sea that is concerned about foreign military activity in its EEZ: Malaysia also objects to military exercise in its Exclusive Economic Zone.

The legal status of Subi Reef is not determined. It's too early to jump to the conclusion that it does not enjoy 12nm of territorial sea. Should the U.S. send more military vessels to patrol or transit through the 12nm of China's other features in the Spratly Islands which are generally deemed "rocks" entitled to a 12nm Territorial Sea,

the principle of innocent passage should be strictly respected. China may argue that U.S. should read between the lines of Article 19 of UNCLOS, “Passage is innocent so long as it is not prejudicial to the peace, good order or security of the coastal State.” The statement from China’s Foreign Ministry has suggested that persons stationed on Subi Reef felt threatened by the passage of the *Lassen* because the incident was interpreted as a show of force towards China. China has made several official statements that its land reclamation will be utilized for civilian purposes, providing international public goods for search and rescue, navigation aid etc. Military capabilities would only be activated when under threat, and would be only be used for defensive purposes. To what extent the *Lassen* exercise and subsequent U.S. activities will be read as threatening to China’s national security is a question for both countries to consider carefully as further actions and reactions are undertaken.

There has been mixed reaction from ASEAN and its member states. ASEAN is working with China on drafting the Code of Conduct for the South China Sea. ASEAN always holds that the problem in the South China Sea should be resolved within the ASEAN framework and many of its member states who are not party to SCS disputes wish to maintain a balance between the U.S. and China. The Philippines might feel relieved from China’s growing capacity in this region with this support from the U.S., but the reaction from other claimant states, Vietnam, Malaysia and Brunei remains unclear.

As announced, the U.S. is also likely to sail ships close to features occupied by Vietnam and the Philippines, and it may have already done so. In doing so, it wishes to dispel China’s impression that it is unfairly singling out China in challenging perceived “excessive claims.” The U.S. does not want to be seen as taking sides in the South China Sea disputes, something it is frequently accused of doing by Chinese officials, academics and netizens. They often point to the fact that China was not the only state to engage in land reclamation or building facilities on South China Sea features, and other claimants have been moving much further than China to consolidate their claims through many approaches. The Philippines or Vietnam may make statements, officially or through proxies supporting the U.S. exercise, even though the transit will enter into waters near their own occupied features in violation of their own domestic legislation. The perceived need for the US to balance China’ growing influence in the South China Sea effectively outweighs their own disagreements with the United States’ interpretations of FON.

The *Lassen* move is certainly a major move from the U.S., though it shouldn’t have come as a surprise to China. There have been many calls within the U.S. for exercising freedom of navigation by entering within 12nm of Chinese controlled features, whether they are rocks, low tide elevations or islands. China’ protests regarding U.S. actions was no doubt also expected by American policymakers. The two countries, one as a major claimant state and one as a major user state and stakeholder, should respect each other’s interests and reflect on one another’s concerns. What would be an absolutely unwanted development for both countries is

any further provocation that may lead to escalating tensions. While it may be legally justified, China should take into consideration the political implications arising from its land reclamation activities. It should uphold its promise of utilizing these new facilities for civilian purposes and share its environmental impact assessments to alleviate concerns over the environmental effects of the reclamation activities.

For the U.S., it should understand that China's concerns about its new move is not about the interpretation of the scope of freedom of navigation. The greater concerns are about whether the U.S. maintains a neutral stance in the SCS dispute settlement process, and the risks associated with militarizing the South China Sea through such actions as the *Lassen* exercise. Convergences Chinese, regional, and U.S. interests must be identified and articulated in order to enhance maritime cooperation and reduce risks. One urgent task underway is communication about how to avoid accidents at sea and make sure that the activities of U.S. vessels in the Spratly Islands and those of China's vessels following and monitoring them be conducted under the April 2014 Code for Unplanned Encounters at Sea (CUES).

Reaction to the *Lassen* exercise should be based on a rational understanding of the strategic calculations of this region and on professional discussion of international law and maritime security. The overreactions of the media or nationalist netizens, either from China, the U.S. or other claimant states should be not be allowed undue influence, and we should all be careful not to overstate the impact and significance of this event.

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