



# 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.*

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### Publications

#### **The US FON Program in the South China Sea: A Lawful and Necessary Response to China's Strategic Ambiguity**

Lynn Kuok

Brookings, June 2016

Kuok describes US Navy Freedom of Navigation (FON) operations as legal and legitimate. Moreover, she contends that insofar as they are assertions of rights available to all states and because the US has been "meticulous in its diplomacy" regarding these assertions, the FON operations should not be considered "militarization" of the issue. She finds that the practice can be viewed currently as preventing China from making excessive claims in future (for example, declaring straight baselines around the Spratly Islands) and from asserting de facto control of the South China Sea.

**The US-China S&ED: Time to Tinker, Not to Toss**

Claire Reade  
CSIS, June 27, 2016

Reade assesses many of the drawbacks to the Strategic and Economic Dialogue mechanism (S&ED) that constitutes a major part of the US-China government-to-government relationship. These include the scope of the issues it takes on and the perceived lack of progress in some areas from year to year. She recommends adjustments to the mechanism that include providing American cabinet members greater access to members of Chinese Small Leading Groups and officials at the Vice-Premier level because of the functional mismatch between US cabinet officials and their formal counterparts in the Chinese ministries.

**China's Response to Terrorism**

Murray Scot Tanner and James Bellacqua  
CNA, June 2016

This major report commissioned by the US-China Economic and Security Review Commission assesses the extent of terrorism in China and Chinese approaches to counterterrorism operations. It identifies areas of counterterrorism cooperation between the US and China that are likely to succeed or continue succeeding and other areas in which cooperation is difficult or unlikely.

**China and the Global Balance of Power**

Richard Wike, Jacob Poushter, and Hani Zainulbhai  
Pew Research Center, June 29, 2016

Among a new set of data in its Global Attitudes project is a discussion of worldwide perspectives regarding the US and China on such matters as which nation is the world's leading economy and global approval of their respective political systems. American attitudes towards Chinese economic and military power are also assessed, as are Chinese views of American goals regarding China.

**Trump and China**

David Dollar  
*Order from Chaos*, Brookings, June 30, 2016

Dollar describes how anti-trade sentiments have played into US politics in this presidential election cycle and their negative influence on American views of China. He argues that this populist resentment felt toward free trade is misplaced. In his view, China is not a currency manipulator, closing off the US economy from the rest of the world would be counterproductive, and the TPP is in fact a good vehicle for improving the US economy. Dollar contends that the United States has little leverage over China in economic matters and will be unlikely to succeed in balancing US-China trade. Because TPP states have a more balanced trade with the US and are open to investment, TPP provides an important alternative to China for the US.

**Reaching the Limits: China as a Responsible Stakeholder**

John Lee

Project2049 Institute, July 5, 2016

In this report, John Lee argues that the US approach to China is misguided. He sees America's China policy as being guided by a "search for genuine strategic cooperation" that includes pushing China towards being a "responsible stakeholder." Lee believes that on its current trajectory, China is in fact a strategic competitor of the United States, although this may change in the future. Lee recommends adjusting American policies and expectations in ways that come to terms with the dual nature of China as economic partner and strategic competitor.

**China's Blueprint for Sea Power**

Andrew Erickson

*China Brief* 16:11, July 6, 2015

Erickson assesses the evolution of the PLAN in light of recent military strategy and military doctrine publications. He finds a "sea change" in strategic priorities and capabilities as China transitions to a "hybrid land-sea great power" that is increasingly capable of projecting power in its near seas and beyond.

**A Chance to De-escalate South China Sea Tensions**

Douglas Paal

Carnegie Endowment for International Peace, July 8, 2016

Paal describes US-China tensions in the South China Sea as constituting a security dilemma. He hopes that the forthcoming ruling by the Arbitral Tribunal in The Hague on China's South China Sea claims will provide an opportunity for all parties to reduce tensions. He recommends that the US and the Philippines give China diplomatic space to change its approach, including urging US restraint in its naval activities. He then suggests a possible quid-pro-quo agreement between China and the Philippines as a post-arbitration settlement.

**South Korea's THAAD Decision: Neither a Surprise nor a Provocation**

Jonathan Pollack

*Order from Chaos*, Brookings, July 8, 2016

Pollack discusses the recent decision in South Korea to deploy an American THAAD missile defense system. He argues that China should not be concerned about the impact it will have on China's nuclear deterrent, and that the system is clearly being deployed in response to North Korean provocations. He concludes by noting that the need for a US-China-South Korea discussion on the issue of stability in the Korean peninsula has never been greater.

## Events

### **Is China's Door Closing?**

Woodrow Wilson Center, June 28, 2016

This event examined the legal and political environment in China as it relates to foreign NGOs and journalists. The panelists expressed concern about the Chinese government's newly restrictive policies toward civil society organizations and foreign NGOs and concluded that while China has integrated with the international system in terms of trade, tourism, and other areas, it has not embraced Western-style liberalism.

### **Cooling off the South China Sea Dispute**

Address by Dai Bingguo

Carnegie Endowment for International Peace, July 5, 2016

Former State Councilor Dai Bingguo delivered a rare US address to begin a dialogue on the South China Sea sponsored by CEIP and the Chongyang Institute for Financial Studies at Renmin University. He articulated China's position on its sovereignty claims in the South China Sea, and criticized the US for allegedly backtracking in its historical support for China's claims. He also criticized US rhetoric, twice mentioning Admiral Harry Harris' comments about the US being ready to "fight tonight." He concluded by offering his thoughts on a diplomatic way forward in the South China Sea.

## Commentary

### Liberalism and Exceptionalism in American Foreign Policy Obstacles and Opportunities for Improving US-China Relations

#### Alek Chance

In a far-reaching and stimulating essay in *China-US Focus*, Cui Liru addressed the dangers inherent in the changing structure of the US-China relationship. According to Cui, these dangers are exacerbated by what he calls "Mearsheimer theory." He infers a predominance of the theory of offensive neorealism in American strategic thought, and notes with alarm its popularity in China as well. John Mearsheimer is well known in both the US and China for his theory that hegemony is the best means for a state to maintain its security. In this view, international politics then "tragically" becomes an unavoidable, zero-sum contest between major powers vying for domination. Offensive realism, to Cui, provides a "foundation for the US to implement power politics and preserve its hegemony."

This understanding of American foreign policy as being driven mainly by realpolitik motives is widespread in China. To be fair, the history of American behavior abroad provides many reasons to support this notion. Moreover, many American thinkers do in fact promote a hard-edged policy of maintaining hegemony or preventing the rise of other potential hegemony. However, American foreign policy is not monolithic. Most American realists in fact complain bitterly about a deficit of hard-nosed

realpolitik in US foreign policy. A proper consideration of other drivers of American behavior, especially the interrelated ideas of American exceptionalism and liberalism, gives a more accurate picture of American motives. Even though these features present other kinds of complications for the US-China relationship, a wider view of currents of thought in America can highlight areas of opportunity for building trust, or at least establishing better communication.

A look at current debate among American political scientists is very revealing in this regard. Contrary to what some might expect, academic realists have been increasingly critical of the notion of American “hegemony” and various practices associated with it: intervention, regime change, and ever-expanding alliance systems. For many years, a vocal group of realists has criticized the lack of restraint shown by the United States and has urged it to withdraw from an overextended position in the world. These so-called “offshore balancers,” led by scholars like MIT’s Barry Posen, contend that American security interests do not require foreign-based troops, strong alliance commitments, and entanglements in areas like the Middle East (although American predominance in the Western Hemisphere is typically taken for granted). In a recent *Foreign Affairs* article, John Mearsheimer himself, along with Stephen Walt, advocated a qualified offshore balancing strategy for the US—although they carved out interesting exception for American policy towards China.

A significant feature of this critique of US foreign policy is its accusation that America’s “hegemonic” tendencies are *not* driven by sober considerations of power politics, but by foolish notions such as American exceptionalism and liberalism. The pursuit of security, in this view, would urge restraint, whereas liberalism leads America astray with reckless attempts to police the world or build nations, and aspirations to global leadership. Irrespective of the wisdom or folly of realism or liberalism, this analysis of US behavior is surely right to identify those forces in American foreign policy that are not derived from realpolitik traditions.

American exceptionalism, the idea that the United States has a special place in world history, is widespread and often genuinely believed in the US. The notion can be seen as early as the 17<sup>th</sup> Century in John Winthrop’s idea of the “city on a hill.” It is repeated in Madeleine Albright’s notion of the US as “the indispensable nation” and can be seen in President Barack Obama’s imperative in the 2015 National Security Strategy that “America must lead.” The idea that the United States is not an ordinary great power underpins many justifications for its widespread influence in international politics. Many American theorists of international affairs contend that American power is uniquely benign or acceptable to others—it is less threatening, less likely to incite balancing reactions, and is often welcomed. To Robert Kagan, this is because the US has a history of indifference to grand strategy—and the world more generally—and because it doesn’t act solely out of self-interest. To the neoconservatives of the previous presidential administration, it is because the US has inherent moral authority as a leading democratic state. To liberal internationalists, it is because of the American tradition of institutionalizing and legitimizing the exercise of its power. All readily admit that the US often violates these principles. None of these arguments are likely to be convincing to a Chinese audience, but the important point is that these claims are sincerely believed by many Americans. Such ideas also lend credence to the offshore balancers’ contention that American hegemony is in fact driven by liberal idealism more than by power politics.

Liberalism greatly shapes American perceptions of foreign affairs. The notion that non-democratic, authoritarian, or communist regimes are inherently illegitimate is deeply and sincerely felt

by many Americans. The “rise of China” concern in the United States has been very much colored by ideological differences and suspicion of China’s government. Hawkish China experts in America frequently connect potential aggression on China’s part with the inherent nature of non-democratic regimes. The idea of the “democratic peace” (and its corollary, that non-democracies are untrustworthy) has permeated American thinking—even among otherwise unsentimental realists like Senator John McCain. Some analysts have also observed that many Americans are struggling with the dawning realization that China is unlikely ever to reshape its domestic institutions along Western liberal lines. Consequently, this readjustment of expectations has led to real disappointment.

The institutional interests of actors like the Pentagon, the compromises inherent in establishing a bipartisan consensus on foreign policy, and other factors all combine with the interplay of realism and liberal idealism in American foreign policy. The result is a more complicated and, at times, internally contradictory edifice than it may appear from abroad. While in important ways factors like liberalism make the US-China relationship more complicated, this complexity also means that the US is more susceptible to reassurance and more flexible in its positions than if it genuinely and consistently adhered to “Mearsheimer theory” as Cui fears.

In the eyes of many Americans, US power is tamed or legitimized by adherence to principle. Those who hold this view are receptive to others joining in this narrative. At the most recent IISS Shangri-La dialogue, Secretary of Defense Ashton Carter used the word “principle” thirty-six times in his speech, inviting all countries in Asia, including China, to share in a principled order. Whether or not the US sometimes plays the hypocrite in this regard is not actually relevant to the important question of whether China can productively engage with this American narrative in order to reassure the US and others about the nature of its own power. In a period in which a dominant American preoccupation with China is whether it “plays by the rules,” any Chinese gestures of restraining power according to institutional mechanisms will have genuine positive impact in important American quarters.

Along these lines, President Xi Jinping has helpfully put forth a vision of a “new model” of great power relations which includes an emphasis on “win-win” cooperation rather than power politics. Many Chinese have been disappointed with the tepid response this idea has received in the US. There are a few reasons for American ambivalence here. One simple reason is a suspicion that the notion is a rhetorical device for accomplishing various ends. But a deeper reason can be seen in light of the idealist and liberal drivers of American foreign policy. Many Americans believe that the US has already been pursuing a “new model” of international politics since the end of the Second World War. According to this view, the United States provides an umbrella of security to facilitate win-win cooperation by protecting liberal rules of international trade and policing the global commons. This is done with an ultimate view towards reshaping the character of international politics. This idea was born out of a traditional American rejection of European *realpolitik*: prior to the First World War, the US sought to avoid it; by the end of the Second World War, many in the US sought to abolish it. In fact, part of Barry Posen’s realist critique of what he calls “liberal hegemony” is that it is premised upon the very unrealistic assumption that this approach will eventually usher in a new era of international relations that transcends power politics.

There is an apparent risk that the US and China will each believe that they promote a win-win international order while suspecting the other of “power politics.” However, the real issue is not a simple choice between mutually beneficial interactions and *realpolitik*. What is really at stake is the

question of which rules will govern a post-realpolitik order, and what kinds of power structures are necessary to support it. Here the US and China have much work to do in order to find converging paths.

None of these observations are meant to deny that other currents of thought in America are more focused on the balance of power or “geopolitics,” or attempts to maintain a “unipolar” world. At the very least, America vacillates between power politics and idealism, as Henry Kissinger has observed. But for better or for worse, American conceptions of its interests can also be informed by its idealist traditions. In this regard, it would be fruitful for Chinese scholars to seriously examine the opportunities presented by these idealistic currents of thought in American foreign policy, even where they sometimes reveal still deeper differences between the US and China. Americans must recognize that Chinese tend to view US foreign policy as being driven by the tenets of offensive realism. Seen in this light, the Chinese offering of a “new model” of relations might appear to be more of a genuine overture. The challenges to rendering the US and Chinese visions of international order more congruent are significant. Recognizing that the diversity of ideas in each country can multiply opportunities for engagement is a good place to start.

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