



ICAS BULLETIN

Institute for China-America Studies

A Survey of Scholarship 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.

COMMENTARY: Can Donald Trump "Warm" to OBOR?

Alek Chance, p. 4

Publications

The Geopolitics of China's Rise in Latin America

Ted Piccone

Brookings, November 2016

This report addresses some questions over the growing role that China is playing in Latin America. It suggests that China's growing influence in the region has three implications: it reflects the existing discontent of the US-led liberal order among Latin American states; that Latin America is maximizing their benefits by feeding Chinese and US competition; and that the US has not abandoned its security interests in the region.

Power and Order in the South China Sea

Patrick Cronin

Center for a New American Security, November 10, 2016

This report outlines four frames of reference for understanding the multitude of state interests in the South China Sea. He suggests that the US should actively engage in the South China Sea with its regional partners to use its geo-economic tools to advance a holistic economic, diplomatic, and legal approach to this issue.

China's 'One Belt One Road' Is a Big Deal. So What Is the Role for Beijing's Military?

Lyle Goldstein

The National Interest, November 20, 2016

Goldstein claims that the Maritime Silk Road, a crucial part of China's 'One Belt One Road' initiative, has a military dimension that has gone unnoticed. He argues that Chinese military writings have indicated its tremendous interest in MSR suggests that the next administration "should look favorably on the MSR and attempt to guide it in a constructive, inclusive, environmentally sensitive, and demilitarized direction."

Deciphering Trump's Asia Policy

Mira Rapp-Hooper

Foreign Affairs, November 22, 2016

Rapp-Hooper sees two sources that may inform predictions about Trump's foreign policy: his campaign promises and the writings of his closest national security advisers. These sources indicate that Trump's future Asia policy could include retrenchment or unilateralism. Regardless of what his policy may be, she concludes that the deep uncertainty will cause turbulence in Asia's regional balance of power in the short term.

The Military Balance in the Koreas and Northeast Asia

Anthony Cordesman

CSIS, November 22, 2016

This report, excerpted from a longer book, examines the military balance in the Korean Peninsula and the influence of key outside powers, including the US, China, Japan, and Russia.

Mischief Reef: President Trump's First FONOP?

Bonnie Glaser and Zack Cooper

CSIS, November 30, 2016

Glaser and Cooper consider a potential US Navy freedom of navigation operation (FONOP) challenging entitlements related to Mischief Reef, and notes that the next FONOP could happen shortly after Trump's inauguration given the current schedule. While the authors understand the importance of FONOPs, they warn observers and the Trump administration of the dangers of equating FONOPs with efforts to reverse Chinese reclamation, construction or militarization of the Spratly Islands.

Views from the G2: Public Opinion in the US & China

Karl Friedhoff and Craig Kafura

The Chicago Council on Global Affairs, December 1, 2016

This survey on public opinions in the US and China indicate that both American and Chinese people prefer the US and China to share leadership in global governance and view stronger economic relations as beneficial. The study also shows a high level of distrust between the two societies.

The United States Can No Longer Overlook Asia's Re-emerging Great Powers

Douglas Paal

Carnegie Endowment for International Peace, December 1, 2016

Paal argues that the Trump administration will be facing a new situation characterized by the re-emergence of regional great powers, most notably China, India, and Russia. He urges the next president

to accommodate policy to fit with these rising geopolitical challenges and avoid repeating past mistakes.

The Real Risk behind Trump's Taiwan Call

Evan Osnos

The New Yorker, December 3, 2016

Osnos discusses some of the events surrounding the Trump-Tsai phone call and evaluates whether the president-elect was intentionally provoking China, manipulated by confrontational advisors, or simply does not understand the diplomatic protocols surrounding cross-strait relations. Whatever the reason, Osnos observes that the Trump presidency will probably continue its trajectory of signaling unpredictability and volatility in interstate relations.

Trump, Taiwan, and a Break in a Long Tradition

Jeffrey Bader

Brookings, December 3, 2016

Bader warns the new administration of the serious risks in US-China relations if president Trump continues to take dangerous actions without understanding long-standing US national security concerns." He refers China's claim to Taiwan as the most sensitive issue in US-China relations and a "line not worth challenging." By "casually" ending the long-standing protocol started by President Nixon, Trump may incentivize Beijing to seek harsher approaches toward Taipei and Washington.

China in the Middle East: The Wary Dragon

Andrew Scobell and Alireza Nader

RAND Corporation, December 6, 2016

This report reviews China's recent economic, political, and security engagements in the Middle East, particularly Saudi Arabia and Iran. The authors find that China is taking a "wary dragon" approach in the Middle East with little investment in diplomatic or military resources, despite its enormous energy, geostrategic, and political interests in the region. The report suggests that the US should allow China to play a more active role in maintaining the region's stability while assuring American regional allies of its enduring security commitments.

Heading for Trade War with China

Steve Hanke

Cato Institute, December 6, 2016

Hanke criticizes Trump's "nonsense" rhetoric on trade deficits, instead suggesting that a savings deficiency is the key factor in the decline of American manufacturing. He calls Trump's stance on trade "misguided and dangerous" and linked it to the lessons learned from Japanese policy in the 1980s. He argues that, without addressing fundamental issues, Trump's economic policies would increase the trade deficit, triggering a trade war between the US and China.

Events

Creating a Stable Asia

November 21, 2016

Carnegie launched Michael Swaine's latest major report, "Creating a Stable Asia" which puts forth a plan of strategic accommodation and rebalancing between the US and China in the Western Pacific. Swaine gave an overview of his findings. Ashley Tellis critiqued his approach and recommended an alternate policy which attempts to maintain US primacy in the region.

China's Power: Up for Debate

CSIS, November 29, 2016

The China Power Project at CSIS hosted a day-long discussion of issues related to the rise of China, following a debate format. Participants argued for and against such ideas that US and Chinese security interests in the Western Pacific are incompatible, that China will face debilitating economic problems, and that China's government must seek major reforms.

ChinaFile Presents: 'The Beautiful Country and the Middle Kingdom'

Asia Society, November 30, 2016

Eric Fish discussed US-China relations, describing them as following a cycle of "rapturous enchantment" followed by "deep disappointment." Anti-American rhetoric and intensifying crackdown on dissent has been on the rise since Xi Jinping took office in 2012, but Fish thought the diverging trend will eventually come back to convergence.

Commentary

Can Donald Trump "Warm" to the Belt and Road Initiative?

Alek Chance

In a [recent op-ed](#) in the South China Morning Post, senior advisor to president-elect Donald Trump and former CIA Director James Woolsey proposed a "warming" of the United States' disposition to both the AIIB and the Belt and Road Initiative (BRI, also known as OBOR). Describing President Obama's opposition to the AIIB as a "strategic mistake," Woolsey indicated the need for the US to be more accepting of China's global leadership in general. A survey of common American interpretations of the Belt and Road initiative reveals the degree to which Woolsey's proposal to the next president is swimming against the tide. Whether Donald Trump can effect such a warming—assuming he even takes Woolsey's advice on the matter—will involve addressing many, often negative, perceptions.

The Belt and Road Initiative has elicited a wide range of opinions in policy discussions within the United States. Depending on whether one is an investor, an executive at an engineering or logistics firm, or a defense planner, BRI can signify different things to different people. BRI is generally regarded as having the potential to drastically change the economic and even political landscape of Central Asia and, to a lesser extent, Southeast Asia and Europe.

The views expressed in American circles are essentially uncertain as to the intentions, short-term success, and the long-term implications of BRI. Along with ominous interpretations of Chinese objectives, one can find many assessments of potential benefits for the United States or areas in which BRI can enhance US-China cooperation. The caution displayed in assessments of BRI and prescriptions for US responses are reflective of the broader uncertainty that many Americans have regarding long-term Chinese strategic intentions.

Along with occasional optimism about the positive effects of these changes, American assessments describe a variety of concerns regarding BRI's economic viability and its implications for international order or American interests. BRI can be viewed by one analyst as being "an entirely mercantile endeavor," and by another as a strategic gambit aimed at establishing Chinese hegemony or even laying the foundations for a "Sino-centric" world order. Some see the initiative as a risky act of hubris that could exacerbate China's economic slowdown, while others see BRI as having the potential to "reestablish Eurasia as the largest economic market in the world [and] effect a shift away from the dollar-based global financial system."

Many American analysts share significant reservations about BRI due to their lack of confidence in its future direction. One analyst asks, "[is BRI] a soft power initiative, a hard power initiative, or hard power wrapped in soft power?" Many specific concerns speak directly to the question of whether BRI is genuinely open and inclusive and creates global public goods, or it will create "club goods" for China and its more closely aligned partners. For example, some Americans wonder whether BRI facilities such as ports in Bangladesh, Iran, and Kenya will be open to all or just Chinese partners and interests.

One of the most common concerns Americans have toward Chinese-led initiatives is about standards. This near-ubiquitous theme can be heard among scholars and statesmen alike, including President Obama. While American concerns about AIIB's lending standards have largely been assuaged, many in the US, including Secretary of Treasury Jack Lew, are less confident about the lending standards of China's development and policy banks. As a transparent, multilateral organization, the AIIB is often seen as "lean clean and green," but as is well recognized in the US, the AIIB will only contribute a small share of BRI funding. The bulk of the initiative will be financed by entities like China's policy banks, the Silk Road Fund, and commercial banks, which will continue to receive disbursements in the tens of billions of dollars earmarked for BRI lending. The perennial issue of standards looms large over these entities.

Questions about standards are grounded in several layers of concerns. Most simply, American commentators are concerned that Chinese lending initiatives do not do enough to preserve the environment or protect labor rights in recipient countries. At a deeper level, there is a sense that China's perceived indifference to these things grants them a competitive advantage over Western actors in currying favor with developing nations. At the strategic level, some Americans fear that China will use its economic clout to degrade, undermine, or replace the liberal norms that have prevailed in the postwar international economic order.

Uncertainties about BRI voiced in the US are in many ways symptomatic of a more general uncertainty about the aims of Chinese foreign policy over the long-term. As China's ability to influence international order grows, Americans are unsure about the principles undergirding its policies. Perceptions that Beijing's actions in other areas like the South China Sea are overly assertive or conducted with little regard for the interests of other states undermine confidence among Americans that Chinese foreign policy genuinely embodies a "win-win" approach.

In fact, the juxtaposition of the maritime issues with BRI has yielded a wide range of interpretations. Some analysts see territorial disputes as unintentionally undermining China's real agenda of promoting mutually beneficial economic ties. Some who espouse this view express confidence that BRI will ultimately have a stabilizing and positive effect on Chinese policy by directing its focus toward positive-sum issue areas. On the other hand, many American analysts believe that China has recently become more willing to assertively advance its own interests, is more willing to risk damaging relationships with other nations, or is confidently seeking to erode the United States' stature in Asia and beyond. Many who see such assertiveness in China's recent behavior are likely to apply this framework to BRI as well. This results in the inference that more zero-sum geopolitical calculations must be behind Belt and Road as well.

If the Trump administration seeks to "warm" to Chinese leadership in international development, many of these perceptions must be addressed. This would require, in part, some clarification from Chinese authorities about how the US and China could cooperate in Eurasian economic development if the Trump administration attempted to reset the relationship in this domain. The new president would have to credibly reassure Washington skeptics that the initiative is not meant to isolate the US from the global economy. For his part, the president-elect seems unlikely to care as much as his predecessors about the standards that so often form the basis for criticizing China's international economic policies. It is also possible that Donald Trump, a most unorthodox of American political figures, will display some degree of willingness to challenge the status quo in Washington regarding long-term strategic thinking. These considerations suggest that there may be a glimmer of hope for development programs like BRI to facilitate cooperation rather than competition between the US and China, but overtures from both sides are needed for this to take place.

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*This essay is adapted from the larger study, **American Perspectives on the Belt and Road Initiative: Causes of Concern, Possibilities for US-China Cooperation** This commentary first appeared on IPP Review.*



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