



# ICAS BULLETIN

## Institute for China-America Studies

### A Survey of Scholarship on U.S.-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 U.S. are listed here alongside information about events at U.S.-based institutions.*

#### Commentary:

#### Analyzing the Utility of FONOPs

*By Jinxue Chen*



## In the News

### **North Korea Claims Successful Hydrogen Bomb Test**

Elise Hu

*NPR*, September 3, 2017

North Korea has likely tested a hydrogen bomb - a weapon that is exponentially more powerful than atomic bombs - and that it "successfully" loaded it onto the tip of an intercontinental ballistic missile. South Korea's Meteorological Agency said the test triggered an artificial quake that was nearly 10 times more powerful than the one resulting from its fifth nuclear test. A quake's magnitude is used in calculating a nuclear device's yield.

### **China Banks, Oil Giants at Risk From Trump's Sanction Threat**

From Bloomberg Politics

*Bloomberg News*, September 5, 2017

With the increasing tension in the Northeast Asia, the U.S. threatens to put more pressure on sanctioning Chinese banks and oil companies that have relations with North Korea. The targeted companies on the sanction list include major Chinese banks such as Bank of China, Ltd. and Industrial and Commercial Bank of China, as well as oil giants like PetroChina, Cnooc, and Sinochem. However, both China and Russia are strongly opposing this sanction, and there are worries that sanctioning Chinese business may also do harm to American economy.

### **Xi Chairs Summit to Set Course for Next Golden Decade of BRICS**

Hui Lu

*Xinhua News*, September 5, 2017

"Chinese President Xi Jinping chaired the 9th BRICS summit on Monday, calling on the group of five emerging economies to intensify cooperation and contribute more to a world troubled by protectionism and imbalanced development."

"The summit has been widely expected to set the future course of the group, which accounts for 43 percent of the world's population and has contributed more than half of global economic growth over the past decade."

A series of other BRICS forums, dialogues and cultural exchanges is also ongoing.

### **China's Xi Wants to Put Relations with India on "Right Track"**

Michael Martina

*Reuters*, September 5, 2017

China wants to put its relationship with India on the "right track", President Xi Jinping told Prime Minister Narendra Modi during the BRICS summit. The two leaders met for the first time

since Chinese and Indian troops ended a standoff in the Doklam border region last week. Xi said that “China and India ... constitute mutual development opportunities ... and do not constitute a mutual threat”. Indian Foreign Secretary Jaishankar commented that “on both sides there was a sense that more efforts need to be made to ensure these kinds of situations don’t reoccur.” China has said its forces will continue to patrol in Doklam, and that it hoped India had learned a lesson from the incident.

### **Vietnam Protests over Chinese Live-fire Drills in South China Sea**

Mai Nguyen

*Reuters*, September 5th, 2017

Vietnam issued a strong condemnation of Chinese military live-fire exercises around the Paracel Islands. In the Foreign Ministry statement, “Vietnam strongly objects this action by China ... and will resolutely protect our sovereignty and our legitimate rights and interests ... through peaceful measures that are suitable with international laws.” Tensions between China and Vietnam is at its highest in three years over the disputed waters. In July, Vietnam suspended oil drilling in offshore waters that are also claimed by China under pressure from Beijing.

### **Xi Open to Mending Fences with Seoul**

Zhang Yunbi

*China Daily*, August 25, 2017

President Xi Jinping said he is ready to make concerted efforts with President Moon Jae-in to properly address the differences in bilateral relations. It was conveyed in his congratulatory messages on the 25th anniversary of the establishment of China-South Korea relations, which was described by Foreign Ministry spokeswoman Hua Chunying as “routine.” Ruan Zongze, vice-president of the China Institute of International Studies, warned that Seoul should “have a clear understanding” of the greater damage of ties if it fails to meet Beijing halfway on the THAAD issue.

### **As Trump Unnerves Asia, China Sees an Opening**

Jane Perlez

*The New York Times*, August 14, 2017

Analysts argue the Chinese leadership values credibility in U.S. presidents, and they are content to see Mr. Trump’s credibility falter among U.S. allies and adversaries alike after his recent remark to threaten “fire and fury” on North Korea. While Japan and South Korea are unsettled, China is trying to connect with them by making a sober-minded response. China doesn’t believe Mr. Trump would actually strike North Korea, partly because similar threats made by his predecessor (on Syria’s use of chemical weapons or China’s land reclamations in the South China Sea) have failed to be materialized. The Chinese leadership at present is also highly concentrated on its domestic politics and preparations for Ivanka Trump and Jared Kushner’s visits. The handling of the trade issue and sanctions on North Korea both follow this pattern.

**China Tightens Noose Over North Korea but Warns Trump on Trade**

Simon Denyer

*The Washington Post*, August 14, 2017

China began to implement the newest round of U.N. sanctions on North Korea, banning coal, lead and iron imports. These actions come whilst Trump prepares for an executive action to launch an investigation on Chinese intellectual property violation, a move that could spark a trade war between the two countries. Chinese media condemned the investigation, saying “Bashing China cannot solve U.S. economic problems.”

**China Industrial Output, Retail Sales, Fixed Asset Investment All Miss Expectations**

Huileng Tan

*CNBC*, August 13, 2017

A series of economic data points for China missed expectations in the latest signs of a slowdown in the Chinese economy. Industrial output rose 6.4% on year, retail sales rose 10.4% on year, and fixed asset investment rose 8.3% on year, all slightly below expectations. Analysts did not change their outlook on China’s economic performance for the rest of the year, still expecting a gradual slowdown.

**U.S. Destroyer Challenges China’s Claims in South China Sea**

Idrees Ali

*Reuters*, August 10, 2017

The USS John S. McCain traveled within 12 nautical miles of Mischief Reef in the Spratly Islands, marking the third freedom of navigation operation by the Trump administration in the South China Sea. China called the latest move a “provocation” reiterated its opposition to U.S. military actions, saying it harmed China’s safety and sovereignty.

## Articles and Analysis

**Why a US Military Strike against North Korea Would Be Disastrous**

Will Saetren

*South China Morning Post*, August 31, 2017

ICAS’s Will Saetren argues that the United States has been in a deterrence relationship with North Korea for decades. The fact that nuclear weapons have now been added to the mix is an unwelcome development, but it does not alter the reality that Pyongyang has held Seoul hostage with conventional weapons since 1953. The good news, Saetren argues, is that Kim Jong-Un isn’t suicidal. Any attack he initiates will lead to the destruction of the one thing he hold dearest, namely his regime. Entering a nuclear deterrence relationship with North Korea is far from ideal, but it is the best option we have.

### **Bad News, World: China Can't Solve the North Korea Problem**

Max Fisher

*The New York Times*, September 6, 2017

“After each North Korean provocation, a soothing mantra echoes through the halls of government and think tanks in the United States. China, it is frequently said, could solve this seemingly unsolvable problem, finally reining in North Korea, if Beijing were just properly motivated.” That is a pipe dream.

It assumes that North Korea can be pressured to abandon its nuclear weapons, and that China has the leverage to do so. It does not. These assumptions have been “tested repeatedly in recent years and, time and again, have collapsed. Yet three consecutive presidents — George W. Bush, Barack Obama and now Donald J. Trump — have invested their hopes and their strategies in China coming to the rescue. Asked whether this were possible, even in the abstract, John Delury, a professor at Yonsei University in Seoul, answered, ‘No, the Chinese can’t fix this for us.’”

### **Five Things to Know About Japan's Possible Acquisition of Strike Capability**

James L. Schoff, David Song

Carnegie Endowment for International Peace, August 14, 2017

The debate of the so-called enemy base strike (teki kichi kogeki) capability in Japan dates back to a 1956 statement by then prime minister Ichiro Hatoyama. Over time, it has evolved from prohibiting “preemptive” strikes to considering striking enemy missile bases “at launch” or even before launch. Given the dramatic increase of North Korean missile tests since 2009, the discussion of modifying this doctrine even further will likely intensify. The author argues that the United States should be receptive to the possibility of Japan increasing its offensive capabilities as supplementing, not substituting U.S. offensive power. Japan’s investments in strike capabilities should also be directed within the framework of the existing alliance.

### **What South China Sea Rivals Can Learn From the Doklam Border Dispute**

Sourabh Gupta

*South China Morning Post*, September 3, 2017

Now that India and China have stepped back from the brink in the Doklam standoff, there are valuable lessons that can be applied to disputes in the South China Sea, writes ICAS Senior Fellow Sourabh Gupta. The Sino-Indian border standoff was resolved by limiting the deployment of military force, building confidence and communication, and being patient and persistent. Together, these provisions ensured that the face-off between Chinese and Indian border personnel was limited to fisticuffs at worst, and helped extend the noteworthy streak — now almost 42 years — of not a single life being lost in anger along their Himalayan border. Beijing’s rival claimants in the South China Sea would be well-advised to pay attention to these crisis management lessons.

### **Between Confrontation and Cooperation**

Jia Qingguo

*ChinaUS Focus*, September 1st, 2017

Jia predicts that the future of China-U.S. relations will likely end up somewhere between hostile confrontation and friendly cooperation. There will be limited conflicts because the costs of war are too high and China has no reason to disrupt an international system that it has integrated into and benefited from. There will be limited cooperation because China faces an identity crisis between a poor developing country and a rich developed one. Its policy consistency and definition of interests are both affected. Besides, the competition in economic and development models grows fierce between China and the U.S. The election of Mr. Trump also brings uncertainties, given the lasting effects of fundamental societal changes in the U.S. and a weakened world order that his policies will result in.

### **Odd When It's Communist China That Gets The Effect Of A Trade War Correct**

Tim Worstall

*Forbes*, August 14, 2017

India's trade war against China was not and could not be fruitful, writes Tim Worstall. A trade war should benefit the country's own people and economy, not the other way around. When "made-in-China" is dominantly cheaper with better quality, there are no available alternatives in Indian market, and increasing the price of the Chinese imports would turn the economic damage back on to India.

## **Events, Videos, and Discussions**

### **Discussion: China's Arctic and Antarctic Ambitions**

Event hosted by *Kissinger Institute on China and the United States*, September 18, 2017

"China's aims in the North and South Poles are less well understood than its Eurasian and African strategies, but are becoming increasingly consequential... China's polar policies are viewed by Beijing as part of the 'Belt and Road' initiative that presents China as a benevolent global power."

### **Speech: US Trade Policy Priorities**

Event hosted by *Center for Strategic and International Studies*, September 18, 2017

Robert Lighthizer, the U.S. trade representative, will be delivering a speech on the current situation of American trade and its policy priorities. This event will be webcast live.

### **Seminar: Trade Deficit and the Trump Administration**

Event hosted by *American Enterprise Institute*, September 15, 2017

An essential economic policy objective of the Trump administration is to reduce the US trade deficit through the “America First” approach. This seminar will discuss the importance of reducing the trade deficit and the most economical means of attaining that goal.

**Speech: The State of American Diplomacy**

Event hosted by *Foreign Policy Institute, Johns Hopkins University*, September 13, 2017

Mr. Antony Blinken, former Deputy Secretary of State for President Obama, will be giving a speech at Johns Hopkins University to talk about the questions like how diplomacy furthers American policy goals around the world.

**Speech: The Face-Off in Doklam: Interpreting India-China Relations with Ambassador Nirupama Rao**

Event hosted by *Sigur Center for Asian Studies*, September 13, 2017

Mrs. Nirupama Menon Rao will deliver a speech to discuss and analyze the cause and effects of the India-China border face-off in the Doklam region. She has been serving as India’s Foreign Secretary (2009-2011) as well as being India’s Ambassador to the United States, China and Sri Lanka (High Commissioner) during her career.

**Discussion: What Asians Think About Indian Power**

Event hosted by *Brookings Institute India Center*, September 5, 2017

Last May, a network of Asian think tanks have released the six-country survey result on attitude towards the changing Asian and international order. This panel discussion will discuss the result of the survey, particularly with regard to the Asian countries’ perception of India’s role in the Indo-Pacific.

**Symposium on the 45th Anniversary of the Normalization of Sino-Japan Diplomatic Ties**

Event hosted by *Chinese Academy of Social Sciences*, August 26, 2017

The International Symposium on the 45th Anniversary of the Normalization of Sino-Japanese Diplomatic Ties opened on Aug. 26 at the Great Hall of the People. More than 150 Chinese and Japanese dignitaries, experts, scholars and media representatives attended it. It features the history and prospect of Sino-Japan diplomatic relations.

**Speech: A Peek into North Korea**

Event Hosted by the *Cato Institute*, August 15, 2017

Doug Bandow, the Senior Fellow at the Cato Institute, provides his insights after a rare visit to the isolated nation and discusses the North Korea problem.

## Commentary

### Analyzing the Utility of FONOPs

By Jinxue Chen

On August 3rd, the Trump administration conducted its third Freedom of Navigation Operation (FONOP). The USS John S. McCain sailed within 12 nautical miles (nm) of Mischief Reef, the site of an artificial island constructed by China. With the USS Dewey's man-overboard drill conducted within 12nm of Mischief Reef on May 24th, and the USS Stethem's passage near Triton Island in the Paracels on July 2nd, the United States has conducted FONOPs roughly every 35 days this the summer. The high frequency of FONOPs begs the question, what is the goal of these operations? Are FONOPs necessary?

The FONOPs conducted by the Trump administration have shown different characteristics from Obama's. First, the Obama administration conducted its FONOPs under the auspices of exercising the right to innocent passage. This approach was frequently criticized as it "tacitly acknowledged Chinese territorial seas," which is subject to a dispute under international law. In contrast, the first FONOP conducted by the Trump administration started with a man overboard drill near Mischief Reef, a maneuver that cannot be considered "continuous and expeditious" innocent passage as defined by article 18 of the United Nations Convention on the Law of the Sea (UNCLOS). In other words, the focus of U.S. FONOP operations has shifted from demonstrating the concept of innocent passage, to directly challenging China's territorial sea claims in the South China Sea.

Second, the procedures for approving FONOPs has fundamentally changed. During the Obama administration, FONOP requests were submitted to the White House and considered on an individual basis. That is no longer the case. The Pentagon has submitted a plan to the White House that outlines the conduct of FONOPs for the whole year, with a large degree of predictability built into the system. For instance, certain events could automatically trigger a FONOP.

Third, FONOPs are no longer announced by the Pentagon. Rather than publicizing individual operations, the Pentagon will only provide an annual summary of its FONOPs around the world at the end of the year. Although U.S. FONOPs will almost certainly continue to be covered by the media as they occur, this policy shift removes a degree of tension from the political narrative that inevitably results from these operations. This shift indicates that the conduct of Freedom of Navigation Operations is returning to a semblance of normality — being conducted routinely and privately.



These policy changes are a welcome development that will help reduce tensions in the South China Sea in the near term. From a liberal and realist standpoint however, the long-term impact of U.S. FONOPs in the South China Sea remains a question mark.

Freedom of Navigation Operations is part of the triple track in the Freedom of Navigation (FON) Program, which “since 1979 has highlighted the navigation provisions of the LOS Convention to further the recognition of the vital national need to protect maritime rights throughout the world.” With the other two methods being diplomatic representation, bilateral and multilateral consultation with other governments, the military assertions are used specifically to challenge excessive claims that are inconsistent with high seas freedoms stipulated in UNCLOS. In that respect, the FON program from a liberal viewpoint plays a crucial role in upholding international law.

However, military operational assertions ought to function as secondary, rather than primary mechanism of the FON program. The major areas of contention in the South China Sea are whether the coastal states can require prior authorization or notification of innocent passage in their territorial waters, and whether marine surveillance activities are allowed in its Exclusive Economic Zone (EEZ). Both issues pose a series of legal debates. Can the “non-continuous and expeditious” passage of a armed warship be regarded as innocent? Is marine surveillance that much different from marine scientific research – the jurisdiction over which the Law of the Sea explicitly vests with the coastal state? Countries including China, Vietnam, Malaysia have all participated in these debates.

It is debatable whether FONOPs constitute the best means of resolving these issues and protect accepted international law and practice. First, while the questions are legal issues, FONOPs are military assertions. Military actions carried out unilaterally are not as compatible with the core value of the liberal world order as legal frameworks arrived-at within multilateral bodies. Given that the United States has yet to ratify UNCLOS, its military assertions to protect international navigational rights lacks a serious degree of credibility. Second, both of the FONOPs in May and in August occurred near the Mischief Reef, where neither China nor other countries have actually claimed a territorial sea. As Dutton and Kardon observed when the USS Dewey sailed near the Mischief Reef in May, it is unclear whether a FONOP actually happened, and as such was both unnecessary and unhelpful.

From a realist standpoint, the disputes involving the South China Sea are a manifestation of the opposite interests held by the maritime powers and the coastal States - the coastal states eager to have more control in their territorial sea and EEZ whilst the maritime powers’ interest lie in the freedom of navigation. FONOPs are a tool to highlight disagreements in these interests.

However, as the crisis on the Korean peninsula increases in urgency, some view both the 214-day break from the last FONOP under Obama's administration to the first one under Trump's and the current regime of regulated FONOPs as strategies to gain China's help in resolving the North Korean nuclear problem.

In this regard, it is unlikely that regularizing FONOPs will help the United States gain any meaningful concessions from China on North Korea. Just a few hours after the Trump administration's second FONOP on July 2, Xi Jinping and Donald Trump had a telephone conversation regarding a range of issues from North Korea to trade relations. Xi told Trump that there were some "negative factors" impacting U.S.-China relations. In response to the third FONOP, China's Foreign Ministry Spokesperson added that "the provocation by the US side has compelled the Chinese side to take measures to further enhance its capability to defend its territory". It is becoming increasingly clear that FONOPs are only serving to raise military tensions in the region. Such militarization is not what either side wants.

If the objective of FONOPs is to influence China and promote U.S. interests, they are failing from both a liberal and realist standpoint. U.S. Navy War College professors Peter Dutton and Isaac Kardon have observed that current FONOPs in the South China Sea "needlessly politicize this important program" and propose alternate methods of sending signals to China. They argue that recent moves, such as the redeployment of Third Fleet Forces from San Diego to the Western Pacific send an equally strong message, but do not carry the same political baggage as FONOPs. Reinforcing Dutton and Kardon's point, Professor Robert Farley recently noted that "FONOPs are the tool that the United States has happened upon, but they are altogether inadequate to the task".

If FONOPs are not the best way to uphold the international law of sea, or to gain more support from China in North Korea issues, what is the alternative? Military operational assertions are only one component of the Freedom of Navigation. The other two tracks, diplomatic representations and multilateral consultations with other governments could well prove to be more effective methods for resolving the many disputes in the South China Sea. A full discussion on establishing a clear legal framework for navigating these disputes should expand from academia to governments departments and be agreed upon through diplomacy, not through the fruitless flexing of military might.

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