ICAS BULLETIN

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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.

Commentary:

The US, China, and the "Liberal" International Order

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Publications

The Once and Future Superpower: Why China Won't Overtake the United States

Stephen Brooks and William Wohlforth

Foreign Affairs, May/June 2016

The authors argue that GDP is a poor measure by which to compare the power of the United States and China. Consequently, projections that China will soon become a superpower capable of challenging the US are off the mark. While the United States' economic dominance is genuinely declining, it will be able to maintain its preeminence in military power. China, on the other hand, will find it difficult to convert economic power into military power for a number of reasons. The authors conclude by pointing out that the combination of continued American military preeminence and declining economic dominance will create temptations for the US to either withdraw from the world or abuse its power. They emphasize the importance of avoiding the kind of overextension of power that was seen in the Iraq war. In the Asian context this means not "overreacting" to growing Chinese economic influence and limiting American expectations of uncontested military primacy in China's near seas.

Prospects for Cross-Strait Relations as Tsai Ing-wen Assumes the Presidency in Taiwan
Bonnie S. Glaser
CSIS, April, 2016

This report looks at a key US concern as Taiwan prepares to inaugurate its news president, Tsai Ing-wen: Whether relations between Taiwan and China will remain stable or see a resurgence of tensions. The report highlights three possible pathways for relations between Taiwan and Mainland China in the near term: 1) Taipei and Beijing find sufficient common ground to maintain and continue to develop cross-Strait relations (the best for the United States), 2) the two sides of the Strait do not agree on a new formulation, but Tsai Ing-wen provides additional reassurances that are sufficient to forestall significant punitive actions by Beijing, 3) Beijing concludes that Tsai is insincere and harbors intentions to push a Taiwan independence agenda. The report suggests a number of policy measures that should be undertaken by the US to ensure preservation of open communication channels and stability across the Strait.

Obama's Cautious and Calibrated Approach to an Assertive China
Robert Sutter
YaleGlobal, April 19, 2016

As Obama prepares to leave the White House, the author looks at Obama's legacy and his "carefully calibrated approach to China." Sutter states that, apart from some rare exceptions, Obama avoided publicly discussing differences with China during his first six years in office and it's only since April 2014 that he has become more outspoken about Chinese behavior affecting the order in Asia and American interests. Obama's main focus has been on the South China Sea disputes and American strengthening ties to Japan, Australia, India and some Southeast Asian nations to respond to China's activities there. Despite this Obama has always carefully measured any counters to China in a bid to avoid serious disruption in bilateral relationship. Sutter observes that many 2016 presidential candidates appear to hold tougher positions on China than Obama does. He argues that whether the US-China relationship after Obama continues with confrontation or cooperation may actually be in President Xi's hands.

How China Sees World Order
Richard Fontaine and Mira Rapp-Hooper
The National Interest, April 20, 2016

Fontaine and Rapp-Hooper take on the perception that "world order is under threat—not least from China's rising power." They argue that much of the discussion in Washington oversimplifies the issues related to China's growing power and international order. In their view, many of the assumptions guiding American concerns—that there is a single "liberal international order," that China will be shaped by this order if sufficiently integrated, and that international order will collapse if China is not adequately brought in—are incorrect. Instead, the authors contend that there are many layers of international order, and there is no single "order" that might be protected by the US or threatened by China. Americans should adapt to a new reality of seeing

China reject some institutions and rules while supporting others, without overreacting to new institutions or the alteration of existing ones. The US and China will both cooperate and compete depending on issue-area and national interests. These facts demand a nuanced and nimble US policy that can work with China on issues such as climate change while "standing tough" on issues like cybersecurity and maritime issues.

Cross-Strait Relations: Not a One-Way Street
Richard C. Bush III
Order from Chaos, Brookings, April 22, 2016

As the inauguration of Tsai Ing-wen, the next president of Taiwan, draws closer, this article discusses if Tsai and Chinese leaders will be able to find a mutually acceptable way to sustain relations across the Taiwan Strait. If not, explains the author, a deterioration in cross-Strait relations is likely. Tsai is faced with accepting the principles that China says are preconditions for stable cross-Strait relations while, at the same time, attempting not to alienate the true believers in her party that want independence for Taiwan.

Events

Japan's G-7 and China's G-20 chairmanships: Bridges or Stovepipes in Leader Summitry?
Brookings, April 18, 2016

As Japan prepares to host the G-7 summit and China the G-20 summit, this panel was guided by a number of questions. First, is global summitry effective in providing international governance? Second, with a focus on East Asia, how will China and Japan use their roles as hosts to boost their leadership credentials and advance important priorities in the foreign policy strategies? Third, can synergy exist between the G-7 and the G-20. Finally, should we expect effective coordination where the G-7 and G-20 work in tandem, or can we expect the more familiar pattern of separate tracks and disparate efforts to take place?

The Value of Values: Reconsidering the Role of Human Rights in U.S.-China Relations
Woodrow Wilson Center, April 20, 2016

The Wilson Center's Robert Daly framed this discussion of human rights issues in US policy toward China by noting that issues of values and ideologies are beginning to become more noticeable in the US-China relationship. Moreover, differences in values appear to lie at the heart of mutual mistrust between the two countries: for ideological reasons, the US is suspicious of China's regime and the Chinese leadership is quite aware of this. Former Ambassador Stapleton Roy discussed the politics and values behind US promotion of human rights issues. While broadly supportive of American advocacy of liberal values abroad, he criticized inconsistencies and poor implementation, and recommended it be primarily focused on people, not politics. Sharon Hom discussed a number of human rights issues in today's China.

Chinese and U.S. Nuclear Strategies in a New Era of Great Power Competition
Wilson Center, April 29, 2016

This event featured presentations from Taylor Fravel, Charles Glaser, and Caitlin Talmadge on strategic stability between the US and China in the nuclear weapons domain. Fravel discussed the question of change in Chinese nuclear strategy. He observed that while fundamentally it has not shifted away from a no-first-use retaliation strategy, increased strategic ambiguity is being used to counter perceived changes in US capabilities. Glaser argued that the US should not attempt to maintain a "damage limitation" strategy (via missile shields or other technologies) with regard to China, but should instead rest on nuclear deterrence to maintain strategic stability. Talmadge discussed difficulties arising from Chinese practices and technologies that might increase the risk (though very small) of a conventional war creating a potential nuclear crisis. All of the speakers brought out the action-reaction dynamics between the US and China with regard to advances in nuclear and conventional weapons technologies. Both Glaser and Talmadge touched on how both the US and China manipulate risk and ambiguity in their nuclear strategies to achieve strategic goals or compensate for weaknesses in conventional capabilities.

China: Impact of the Thirteenth Five-Year Plan
Council on Foreign Relations, April 29, 2016

Panelists gathered to discuss the impact of the 13th five-year plan in China. China's domestic economic policies and the effects of last year's turbulence in Chinese equity markets, China's official GDP growth statistics, and ongoing economic reform programs we all areas touched on by the participants. One panelist doubted projected economic growth rates that the five-year plan projects. Another panelist spoke of how some reforms that may be positive for China's development in the long-run may actually be quite negative on other parts of the developing world.

Commentary

Liberal America, Illiberal China, and the "Liberal" International Order

Shiping Tang

"International order" has become a buzzword in scholarly discourse and policy debate, in part because rising powers cause anxieties, especially for the reigning hegemon. Will rising powers support the prevailing order, or will they try to overthrow it? Can the existing international order accommodate rising powers' aspirations? Things become even more complex when one of the rising powers is not a liberal democracy and the prevailing international order is centered upon democratic countries. After all, didn't the rise of the autocratic Axis Powers before WWII cause a world war with leading democratic powers (the United States, United Kingdom, and France)? So, will history repeat itself now that an illiberal power (China) is rising and the reigning hegemon (America) is a liberal power?

Though it may be a bit of an over-simplification, there are three basic answers to the question of whether the US and China can cooperate with each other under the existing international order. The first answer, which can be labeled as "offensive realism pessimism," is no, because as China's power grows, the US and China will inevitably have conflicts with each other. The second answer, which can be labeled as "liberal pessimism," is also no, because China is an autocracy and the US-centric international order is liberal. The answer given by the third position, which can be labeled as "pragmatic optimism," is yes. In this view, just because China is a rising illiberal power does not mean that the US and China cannot cooperate with each other.

This commentary takes issue with the "liberal pessimism" position and supports the "pragmatic optimism" position. I argue that the position that the "liberal" international order cannot accommodate a rising illiberal power like China is fundamentally based upon a misunderstanding about the nature of the "liberal" international order, partly because order itself is one of those broad concepts that have been much talked about but never rigorously defined.

Once order is understood properly, it becomes clear that only a liberal democracy can approach the ideal world of having subjects willingly submit to an order. As such, only a liberal democracy can be a genuinely liberal political order, and only in domestic politics. In contrast, even under the present "liberal" international order, countries do not get to willingly submit to an order. Indeed, a genuinely liberal order governing international politics is impossible even if all the countries on the planet become liberal democracies. The "liberal" international order is "liberal" only in the open-trading sense but not in the political sense. As such, there is nothing within the "liberal" international order that should prevent the order from integrating and accommodating an illiberal rising power, as long as the rising power relies on peaceful means for shaping specific rules within the international order.

Fundamentally, the stability of an order depends on three pillars: 1) the relative monopoly of violent power by an order; 2) the institutions or rules that constrain agents' conduct and their interactions; and 3) the internalization of those rules. On all three fronts, China's rise itself does not pose foundational challenges to the "liberal" international order.

Let's start with economics. Since its "opening and reform," China has been a prominent beneficiary of the open-trading international order. Thus, China sees no need to challenge the fundamental rules of the international economic order. Take the Asian Infrastructure Investment Bank (AIIB), which has received much attention, for example. Although many pundits believe that the AIIB constitutes as a foundational challenge to the existing economic order, it is not. China has repeatedly emphasized that the AIIB will work with existing international organizations. Moreover, the foundational rules of the AIIB (charters, agreements, code of conduct for officials and personnel, but especially operational procedures for financing etc.) are almost identical to standard practices in the World Bank, the Asian Development Bank, and the Inter-American Development Bank. The only key difference is how a project is run: the AIIB does not have a board of directors to micro-manage projects.

Even on security matters, for all its territorial disputes with other countries, China has peacefully settled most of its territorial disputes in the past three decades or so. Moreover, China has only contested those territories that were already in dispute, and has not created new territorial disputes. Thus, China's behavior regarding territorial disputes does not signal any desire to challenge the two foundational rules of the current international order, namely, sovereignty and territorial integrity. Indeed, one can argue that China has completely internalized these two foundational rules of the current international order.

The present international order is foremost underpinned by the victorious United States and its allies (including China, which was not a liberal democracy at that time either) after World War II. Yet, ultimately, America's relative power position in the "liberal" international order is only one of the three pillars that underpin the stability of the existing order. In other words, America's relative decline, by itself alone, cannot determine the stability of the order. If rising powers submit to, and even internalize, the foundational rules of the international order and the "liberal" international order can accommodate some roles for rising powers, the US-centric international order can be even more enduring than what many liberals are willing to believe.

A critical danger does exist. This danger will materialize if the United States takes any of China's attempts to shape some rules within the international order as a contest of honor. This is implied in President Obama's rhetoric that "We cannot allow countries like China to set rules." This danger derives from the fact that compromises become less likely if countries are more concerned with prestige or honor rather than material gains: honor or prestige tends to be more zero-sum whereas material benefits tend to be more positive-sum. Fundamentally, if the U.S. wants China to obey most, if not all, of the rules, but does not see any role for China to make some of these rules, then the only reason for China to obey would be China's weakness, and only

so long as it is weak. Where that is the case, few compromises that are based on foundational understandings between US and China are possible. Rising powers, whether liberal or not, should be allocated some roles in shaping (or reshaping) the "liberal" international order. Otherwise, they cannot be true "stakeholders."

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