



ICAS

Institute for China-America Studies

2017 Annual Report



From the Executive Director



Dear Friends,

On behalf of the Institute for China-America Studies, I am pleased to present this snapshot of the work we undertook in the past year.

2017 saw a variety of issues closely linked to the China-U.S. relationship: the start of the Trump presidency in January, the Xi-Trump meeting at Mar-a-Lago in April, China's 19th Party Congress in October, Trump's state plus' visit to China in November, U.S. Freedom of Navigation operations in the South China Sea, the North Korean nuclear crisis, mounting economic, trade and investment frictions, the U.S. National Security Strategy Report and the "Indo-Pacific" concept among many others. Each of these major issues has posed critical challenges to leaders of both countries and remind us once again of the importance of communication and trust.

In the coming year, we will observe both opportunities and uncertainties in China-U.S. relations. As a Chinese think tank based in the heart of downtown Washington, DC, ICAS will continue building bridges to facilitate the exchange of ideas and people between China and the United States. We look forward to playing an active role in addressing key issue areas in the China-U.S. relationship in need of greater mutual understanding.

We at ICAS are proud to present our achievements from the past year, and look forward to another year of this important work.

Dr. Nong Hong

Executive Director & Senior Fellow
Institute for China-America Studies

From the Chair of the Advisory Board

Dear Friends,

In the three years since its establishment, ICAS has emerged as a fresh voice in the Washington, DC think tank community. All too often the American narrative on China-U.S. relations focuses on U.S. policy alone, rather than looking at both sides of the relationship.

ICAS seeks to rectify this imbalance, and has become an invaluable resource for news, information and analysis regarding the most important bilateral relationship in the world. Books and journal articles by senior staff, as well as ICAS Reports, Issue Primers and Bulletins are increasingly read on both sides of the Pacific in ever-greater numbers.

2017 was a remarkable year for the China-U.S. relationship, and ICAS was there every step of the way. No stone was left unturned in its coverage of the bilateral relationship through its conferences, workshops, reports, opinion pieces and contributions to the global media narrative.

2018 will bring numerous challenges and opportunities to China-U.S. relations from trade to maritime competition in the South China Sea. I look forward to ICAS continuing to provide global audiences with its unique perspective and building bridges that facilitate the exchange of ideas and people between China and the United States.

Dr. Wu Shicun

Chair of the Advisory Board
Institute for China-America Studies



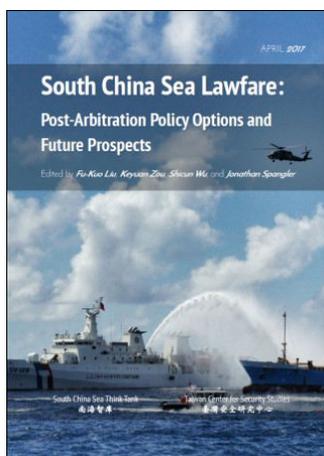
Publication Highlights

BOOK CHAPTERS

Post Arbitration South China Sea: China’s Legal Policy Options and Future Prospects

By Nong Hong

South China Sea Lawfare: Post-Arbitration and Future Prospects (South China Sea Think Tank, 2017)

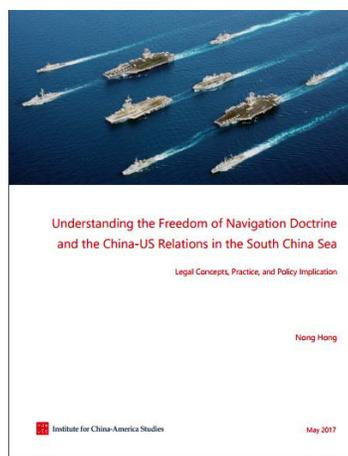


REPORTS

Understanding the Freedom of Navigation Doctrine and China-U.S. Relations in the South China Sea

By Nong Hong

May 2017



ICAS IN THE NEWS

How Much Will the South China Sea Remain Critical for China-US Relations?

By Nong Hong

IPP Review

December 4, 2017

Trump, Trade, and U.S.-China Economic Relations

By Sourabh Gupta

February 2017

Exposed Defense

By Will Saetren

South China Morning Post

September 27, 2017



The “Golden BRICS”: Ten Years on & Looking Ahead

By Sourabh Gupta

China-US Focus

September 25, 2017



2017 By the Numbers



23 WORKS OF COMMENTARY, ANALYSIS AND REPORTS



HOSTED, CO-HOSTED, OR CO-SPONSORED **6** CONFERENCES AND DIALOGUES



ICAS SCHOLARS PARTICIPATED IN **15** CONFERENCES WORLDWIDE



150 PARTICIPANTS IN THE ICAS ANNUAL CONFERENCE



ICAS SCHOLARS PROVIDED INSIGHTS TO SEVERAL NEWS OUTLETS GLOBALLY, INCLUDING

South China Morning Post, IPP Review, China-US Focus, CGTN America, RT, Tasnim News, TRT World, NBC News, The National Interest, War on the Rocks, and Inkstick Media

SELECTED COMMENTARY AND ANALYSIS

- Hong Nong** Freedom of Navigation and China-US Relations in the South China Sea - *China International Studies*, July/August 2017, pp. 129 - 144.
- State Practice of the Law of the Sea: A Call for an Identical Legal Culture in the South China Sea - *Foreign Affairs Review*, Vol. 5, 2017, pp. 79 - 112
- Beyond the UUV Incident: Challenges in the South China Sea for the Trump Administration - *Maritime Awareness Project*, February 17, 2017
- Sourabh Gupta** Maximum Pressure, Deferred Engagement: The Trump Administration's Approach to the North Korea Conundrum - ICAS Report, April 27, 2017
- What Belt and Road Has to Learn from 1920s America - *SCMP*, May 13, 2017
- Tillerson's Brush with South China Sea History - *China-US Focus*, February 17, 2017
- Will Saetren** Take Away Trump's Power to Nuke First - *Inkstick Media*, October 25, 2017
- The real reason the US hasn't tried to shoot down a North Korean Missile - *SCMP*, September 27, 2017
- Five Facts about a Controversial New Nuclear Weapon - *War on the Rocks* - August 10, 2017

Event Highlights

October 26-27
Edmonton, Canada
Maritime Security and Cooperation: Opportunities and Challenges in the Asia-Pacific and the Arctic

ICAS sent a delegation led by Executive Director Dr. Nong Hong to Edmonton, Canada to attend the 5th annual Asia Maritime Security Forum, which was co-hosted by ICAS, and featured introductory remarks by advisory board members Dr. Wu Shicun and Professor Gordon Houlden. Board member Dr. Zhu Feng also chaired a panel entitled *Dispute Management and Ocean Governance*, of which Dr. Hong was a panelist.



November 7
Barksdale AFB, LA
Discussion: Deterrence Stability and the LRSO

ICAS research associate, Will Saetren, joined Air Force Global Strike Command’s Deterrence and Assurance Working Group (DAWG) at Barksdale Airforce Base to discuss the America’s plans to acquire a new, air-launched nuclear cruise missile (LRSO).



July 26-27
Cape Cod, MA
China-U.S. Track II Dialogue on Maritime Affairs and International Law

Scholars from the Institute for China-America Studies participated in the fifth China-U.S. Track II Dialogue on Maritime Affairs and International Law in Cape Cod, Massachusetts on July 26-28, 2017. The ICAS delegation was led by Dr. Nong Hong.



May 16-19
Yogyakarta, Indonesia
The Maritime Environment and UN Sustainable Development Goal 14

ICAS co-sponsored this conference in association with the Center for Oceans Law and Policy, University of Virginia Law School and the Coordinating Ministry for Maritime Affairs, Republic of Indonesia in Yogyakarta, Indonesia.

November 20
Washington, DC
The Philippines as 2017 ASEAN Chair and Singapore as 2018 Incoming ASEAN Chair Symposium

Dr. Nong Hong spoke on a panel discussion at “The Philippines as 2017 ASEAN Chair and Singapore as 2018 Incoming ASEAN Chair” symposium, with particular focus on maritime security and cooperation in the South China Sea.

Research Overview

Maritime Security

Important steps were taken towards laying the groundwork for stabilizing the disputes in the South China Sea over the last year, but more work needs to be done. Any progress that is made in 2018 will likely be slow and reflect changes to the rules of the game that have already been made. The South China Sea issue has taken a backseat to other more immediate concerns, such as the crisis on the Korean Peninsula. However, the fact that the issue has declined in prominence does not mean that the South China Sea is going away. In the coming year, the geopolitical competition between China and the United States will increase and will continue to set the stage for and influence the disputes in the South China Sea.



Economics and Trade



China-U.S. economic relations in 2017 were surprisingly stable. Many observers expected U.S. President Donald Trump to provoke a trade war with China, but that did not happen in his first year in office. Trump and Chinese President Xi Jinping developed a strong relationship, and largely avoided clashing on trade. That stability is unlikely to hold in 2018. With a large trade deficit and little to show in terms of progress within Comprehensive Economic Dialogue (CED) process, Trump is expected to embrace an economic nationalist – and protectionist – approach to bilateral trade relations. The upcoming completion of the Section 301 investigation of Chinese technology transfers, intellectual property rights (IPR) and innovation practices will provide the platform for this tougher policy. Chinese inward investment and acquisitions-related concerns will also become a

point of friction during the latter part of 2018.

Expanding our Portfolio

In 2017, ICAS expanded its operations to include research on nuclear weapons policy. The new portfolio is headed by Will Saetren, who comes to ICAS from the Ploughshares Fund with several years of experience studying international arms control and nuclear weapons policy. The new program looks to shed light on the strategic balance of power between the United States and China, a dynamic that is often overlooked in the narrative on nuclear weapons. For decades, nuclear arms control has focused almost exclusively on the policies of the United States and Russia. However, with China's rise as a global superpower, this is no longer sustainable. ICAS hopes to rectify this imbalance by providing new insights into how China perceives its role as a nuclear armed state and interacts with potential adversaries.

Mr. Saetren is currently developing a report on the impact of U.S. nuclear modernization plans on China's nuclear policy. If China sees the United States gaining an edge in its nuclear capabilities, it will likely seek to do the same. China could also chose to escalate further, igniting an arms race.



2017 Annual Conference

Prospects and Challenges for U.S.-China Relations



On July 25, scholars from around the world gathered in Washington, DC for the 2017 ICAS Annual Conference. This year's conference included opening remarks from Ambassador Cui Tiankai and was appropriately themed *Prospects and Challenges for U.S.-China Relations*. The conference sought to tackle some of the most daunting challenges in the Sino-American relationship. On the table was a discussion of the state of strategic relations between the two countries and how they could improve moving forward. Subsequent panels addressed opportunities for cooperation in the Asia-Pacific, such as the crisis on the Korean Peninsula, recent developments in the South China Sea, and the state of trade and economic relations between the United States and China. Scholars from both the American and Chinese sides of the aisle came together to brainstorm and offer new insights on cooperating in these spheres. Although much work remains to be done to turn these ideas into reality, ICAS is committed to ensuring that the best and brightest voices on these issues receive the platform that they deserve.



Program Highlights

ICAS Roundtable Launch

In 2017, ICAS launched a new roundtable series, aimed at giving the public direct access to candid expert discussions about significant topics in the China-U.S. relationship. Our inaugural roundtable focused on the outcomes of U.S. President Donald Trump’s visit to China. The discussion included American and Chinese participants, and represented a mix of seasoned academic and policy practitioners, as well as up-and-coming scholars. ICAS roundtables will be held quarterly and will revolve around current events. Topics will include maritime security, Asia-Pacific economics, trade, strategic stability, international relations as well as global governance issues. ICAS roundtables will be recorded in full and made available on our website as a podcast with a detailed summary.



ICAS Bulletins and Issue Primers Find a New Home

As part of our ongoing commitment to improve access to our research products, ICAS Bulletins and Issue Primers have been updated to full HTML compatibility. The two publications are prominently featured on our website, and are now easier to read and share on social media than ever before. For researchers and fans of our old format, fear not! ICAS Issue Primers are still available for download in PDF format. If you haven’t had a chance yet, **subscribe to our mailing list** to receive regular updates on the most important bilateral relationship in the world directly to your inbox.

New ICAS Issue Primers

New ICAS Bulletins

Social Media



Enhancing our Communications Strategy

Increasingly, social media has become a way for academics to share their research, make it easily accessible and engage with likeminded professionals, the media, and the general public. Keeping up with the technological shifts in a rapidly changing world can be a difficult undertaking, but ICAS is committed to doing just that. In 2017, our team made a concise push to enhance our social media operations, leading to a significant increase in our outreach and public engagement. In May, ICAS launched a

brand new LinkedIn page and over the course of the year, our Twitter following increased by more than 26 percent. Similarly, our YouTube channel grew by over 30 percent, with our most popular video, a segment from our annual conference focusing on trade and economics, receiving more than 3,000 views. Social media audiences have shown particular interest in our analysis of the crisis on the Korean Peninsula and the disputes in the South China Sea.

ICAS Staff



About Us

The ICAS team is comprised of four full-time staff members in our Washington, DC office, in addition to a number of non-resident fellows. Our scholars come from a diverse set of backgrounds, with professional experience in China, the United States, Canada and Europe. Our research covers maritime security, economics and trade relations, strategic competition, nuclear weapons policy, global governance, and other issues central to the China-U.S. bilateral relationship.



Dr. Nong Hong
Executive Director &
Senior Fellow



Sourabh Gupta
Resident Senior Fellow



Will Saetren
Research Associate
& Program Officer



Dr. Keyuan Zou
Non-Resident Senior Fellow



Yu Qian
Adjunct Fellow

Advisory Board

About the Advisory Board

The ICAS advisory board provides invaluable guidance for our day to day operations. All esteemed scholars in their field, the work of our board members closely coincides with ICAS's research portfolio and compliments the work of our scholars. Their advice enables ICAS to stay on top of the latest developments in the fields of maritime security, economics and trade, the crisis on the Korean Peninsula and strategic stability. We are grateful for their commitment and dedication to improving the most important bilateral relationship in the world.



Dr. Shicun Wu
President
National Institute for South
China Sea Studies



Prof. Gordon Houlden
Director
China Institute
University of Alberta



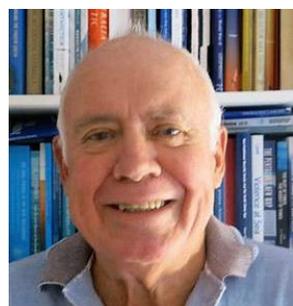
Dr. Feng Zhu
Director
China Center for Collabora-
tive Studies of SCS
Nanjing University



Dr. Yongnian Zheng
Professor and Director
East Asian Institute
National University of
Singapore



Dr. Myron H Nordquist
Associate Director and
Editor
Center for Oceans Law
and Policy
University of Virginia,
School of Law



Prof. Sam Bateman
Professorial Research Fellow
Australian National Centre
for Ocean Resources and Se-
curity (ANCORS)
University of Wollongong



Jusuf Wanandi
Senior Fellow and co-
founder
Centre for Strategic
and International Stud-
ies



Yawei Liu
Director
China Program
The Carter Center

The Institute for China-America Studies is an independent think tank funded by the Hainan Nanhai Research Foundation in China. Based in the heart of Washington, DC, ICAS is uniquely situated to facilitate the exchange of ideas between China and the United States. We achieve this through research and partnerships with institutions and scholars in both countries, in order to provide a window into their respective worldviews.

ICAS focuses on key issue areas in the China-U.S. relationship in need of greater mutual understanding. We identify promising areas for strengthening bilateral cooperation in the spheres of maritime security Asia-Pacific economics, trade, national security, nuclear weapons policy, international relations as well as global governance issues, and explore avenues for improving this critical bilateral relationship.

ICAS is a 501(c)3 nonprofit organization.



Institute for China-America Studies

