



An NCAFP Conference with the China Institutes of Contemporary International Relations

**By Rorry Daniels
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On April 18, 2016, the NCAFP's Forum on Asia-Pacific Security (FAPS) hosted a delegation from the China Institutes of Contemporary International Relations as part of an ongoing exchange with Chinese scholars (U.S.-China Strategic Dialogue). The one-day conference focused on three topics—U.S.-China relations, cross-Taiwan Strait relations and the South China Sea. (The participant list is included in the appendix.)

There was a general sense that U.S.-China relations are in a difficult period with differences over China's military modernization, its more assertive posture in both the South China Sea and the East China Sea, cyber security, human rights and potentially new differences on Taiwan as a result of the recent presidential election which resulted in the victory of the leader of the Democratic Progressive Party, Tsai Ing-wen, long regarded with great suspicion in Beijing as being pro-independence.

The following is a summary of the discussion.

U.S.-China Relations

An American participant opened by asking whether the U.S.-China relationship was in danger of becoming worse or could still be moved in a more positive direction. He said the signs were not good because of increasing competition and mistrust and a clash of perceptions and postures. The U.S. sees itself as the dominant power and seeks to maintain that position while China is rising and becoming more assertive. He also stated that the bilateral relationship suffers from a 'values gap' as China moves in an increasingly illiberal direction and he contrasted the U.S. democratic, open, bottom-up system with China's authoritarian, closed, top-down system. These differences shape how each side views each other and the wider world.

Yet it is imperative, the presenter argued, to avoid conflict, continue to expand areas of cooperation, manage differences and find ways to co-exist. In sum, there was a need to get the U.S.-China relationship back on a more positive track.



A Chinese presenter agreed with the American and said that both sides were increasingly pessimistic and he worried that the situation may get even worse after the American presidential election, when either Clinton or Trump may pursue a tougher policy towards China.

The Chinese presenter said the problems can be divided into several categories. First, there is the structural problem of China rising and the U.S. rebalancing. Second, there is a perception gap. China sees a U.S. grand strategy in which the U.S. is using China's neighbors against it while the U.S. sees itself as balancing China's assertiveness. Third, there are third parties such as North Korea, Vietnam and the Philippines who are dragging the two sides into conflict. Fourth, domestic politics on both sides aggravates the relationship. Fifth, there are a variety of concrete problems such as cyber, human rights and the bilateral investment treaty.

The Chinese presenter called for both sides to articulate a long-term strategy for bilateral relations. One such strategy is China's policy of a 'new type of major power relations.' Another Chinese opined that American policymakers and analysts see this concept as a trap when it should be interpreted as a guideline or a general doctrine on which to base the relationship. An American participant noted that Americans could agree with the broad strokes of the concept but he warned that it has been used by Chinese negotiators to push for specific policies that are unacceptable to the U.S.

Despite a generally pessimistic attitude on both sides about specific issues, participants were able to point to some bright spots. First, the communications at both the top-level and the working-level are robust and can be given high marks. Continued summits between our two presidents have underpinned agreements on various topics such as climate change, cyber security, as well as progress on bilateral investment. Although there has recently been harsh criticism from the Pentagon on China's activities in the South China Sea, military-to-military relations are strong and China's military is still going to participate in RIMPAC for the first time this year.

However, one Chinese participant was concerned about the attitudes of U.S. industry leaders, a traditional base of support for the relationship that has recently turned more negative.



The Chinese are also worried about the U.S. elections, as they see all candidates still in the running as more likely to be tougher on China than the Obama Administration. An American participant assured the group that while candidates may have different styles of campaign or governance, the basic interests that the U.S. has in maintaining good relations with China have not and will not change. These basic interests have underpinned U.S. relations with China since Nixon and the actual policy of any one candidate is likely to follow that of his or her predecessor. At the same time, one American participant noted that the rise of Donald Trump and Bernie Sanders can be traced in part to American public opinion on trade issues, and he said that any future administration is going to have trouble completing global trade agreements.

A Chinese participant described problems on both sides of the U.S.-China relationship as not speaking with one voice, citing an internal debate in China between the editor of a prominent newspaper and a well-known former ambassador on the best direction for Chinese foreign policy, as well as recent statements from Pentagon officials that seem to be at odds with statements from the White House. He asked if the U.S. military was under the firm control of civilian leadership. Several American participants emphatically affirmed that this remains the case.

There was a divergence of views on whether or not the Korean peninsula could be a source of concrete cooperation between the U.S. and China. While both sides want to stop North Korea's nuclear program, each side has different assumptions and interests. China values stability over drastic measures to force a change of calculus in North Korea, while the U.S. is increasingly compelled to do something active to halt North Korean provocations. A Chinese participant repeated the oft-heard view that China does not have much, if any, leverage over North Korean behavior. An American participant was generally positive about China's intentions to enforce tough sanctions but noted that many Chinese do not believe sanctions will work, and this view may undermine strict enforcement measures.

Cross-Taiwan Strait Relations

On cross-Strait relations, a Chinese participant warned that President Xi and other top Chinese officials have made clear that peace and stability across the Strait can only be based on Tsai's affirmation of the One-China principle. China deeply distrusts Madame Tsai because of her previous pro-independence positions under DPP presidents, despite her recent insistence on maintaining the status quo and respecting the cross-Strait agreements already in place. And if Tsai cannot affirm the One-China principle, a Chinese presenter worried that the status quo is likely to change for the worse after her May 20 inauguration.



An American presenter agreed that Tsai is very unlikely to say the words 'One-China' in her inauguration speech, and he argued that the Mainland may want to be thinking about what alternatives they could accept to maintain cross-Strait peace and stability. The American believed that Tsai's Administration would refrain from agitating the Mainland in other ways, noting that Tsai has made the promises of no surprises, no provocations, and respecting both the accumulated outcomes of the last eight years as well as the accumulated status quo. He warned the Chinese delegation that actions taken against Tsai could backfire and reverberate among the Taiwanese public to strengthen her position, especially with the KMT in such disarray. He called for greater Chinese flexibility towards Tsai.

One area where an immediate effect might be felt is in the decreasing number of Mainland tourists to Taiwan. Opinions were divided over the impetus for the slow-down—a Chinese participant thought the recent decrease may be attributed to political correctness on the part of Chinese tourists, while Americans felt the downturn was likely to have been due to overt pressure on the Chinese public, not a savvy reading of the political situation. Still others speculated that the relative decline of Chinese GDP in recent years may be reducing the overall number of Chinese tourists abroad. The effects of the tourism slowdown were also discussed. A Chinese participant stated that many businesses would close, to which an American responded that the Mainland will have a difficult time using economic measures to hurt Tsai Ing-wen without hurting the people of Taiwan.

Another Chinese participant warned the U.S. and the DPP not to expect a more flexible attitude from the Mainland on the two core issues—the One China policy and no independence. He worried that the U.S. and others may falsely believe that the Mainland is so desperate for a benign external environment to carry out reforms that they may underestimate the Mainland's determination on these two core issues.

There was also some discussion of Tsai's forthcoming inaugural speech on May 20. One Chinese participant expressed regret that so much attention is being focused on one speech.

An American participant said that there is a danger that the U.S. public has forgotten about the importance of careful management of cross-Strait relations after an eight-year 'holiday' from this issue during Ma's Administration. But he was also quick to caution the Chinese participants that Congress has remained very active on the Taiwan issue throughout this period, and that public consciousness of Taiwan and China policy may be heightened in an election year.



The South China Sea

The difference in values, principles and priorities was again evident during discussion of the South China Sea. The hope that the sovereignty issue could be set aside has been challenged by China's assertive behavior in disputed waters and land reclamation activities. These activities are energizing U.S. security relationships with ASEAN countries and allies in what one American participant characterized as a 'blind spot' for Chinese foreign policy.

A Chinese presenter explained that domestic public opinion on sovereignty issues is hawkish, and while President Xi is the ultimate decision-maker, public pressure makes it difficult for him to be conciliatory on this issue. A major problem, in his view, is the U.S. double-standard on militarization. In the Chinese view, U.S. Freedom of Navigation operations (FONOPs), reconnaissance activities and military exercises with partners and allies are the actions that militarize the South China Sea. By contrast, Chinese activities are relatively benign. An American participant disagreed, noting that the Chinese Coast Guard has chased away fishing vessels from neighboring countries. Furthermore, the scope and scale of China's land reclamation activities and the ambiguities of the Nine-Dash Line (NDL) contribute to a sense that China is the aggressor in these territorial disputes. The Chinese replied that the strategic ambiguity of the NDL is the best choice—if China were to define the line, then the Chinese public would demand sovereignty in these areas.

Chinese participants criticized the continuing U.S. FONOPs as unnecessarily raising tensions in an already troubled area and called for the U.S. to stop in order to ease tensions and prevent accidents. An American presenter explained that FONOPs were likely to continue in accordance with the U.S. interpretation of international law. At issue are different interpretations on how to define an Exclusive Economic Zone (EEZ) and what rights are conferred to the owner. An American participant explained the U.S. position that an EEZ confers resource sovereignty but not full sovereignty, and therefore can be used for FONOPs and other military activities. A Chinese participant replied that China considers freedom of navigation to be a relative and not an absolute concept. It should not, in his view, apply to military or reconnaissance activities.



Both sides affirmed a commitment to the principle of 'no use of force' in resolving these disputes and agreed that a Code of Conduct in the SCS would be a positive step forward for the region. An American participant suggested that Beijing was the primary obstacle preventing the emergence of such an agreement and that the ASEAN countries should agree among themselves on a package to present to China for further negotiations. A Chinese participant said that the U.S. and China should be first to establish a code of conduct, which could be accepted later by the ASEAN countries.

Both sides agreed that the upcoming ruling of the International Court of Arbitration on the case brought by the Philippines against China was likely to be settled favorably for the Philippines, but the outcome of such a ruling remains to be seen. If China chooses not to abide by the decision, the situation will worsen.

Conclusions

U.S.-China relations are headed down a bumpy path in the short-term. The most dangerous issue in bilateral relations concerns tensions in the South China Sea. So attention should be paid at the highest levels to establishing a Code of Conduct that can lessen the chances for potential accidents or clashes

The U.S. also needs to be carefully watching the situation developing across the Taiwan Strait as Taiwan completes its presidential transition. The U.S. needs to continue stressing to both sides its interest in the maintenance of peace and stability in the Taiwan Strait.

Finally, both sides should seek to expand cooperation where our relative interests do coincide, such as on the Korean peninsula. Strong sanctions enforcement by China would be a very positive step toward shoring up bilateral relations by demonstrating that the two countries have a common interest in the denuclearization of North Korea.

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CONTEMPORARY INTERNATIONAL RELATIONS (CICIR)**

18 APRIL 2016

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