



Charting a New Course for the U.S.-China Relationship

Findings from the Center for American Progress
2016 U.S.-China Rising Scholar Strategic Dialogue

By Melanie Hart August 2016



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Introduction and summary

The relationship between the United States and China is at a critical juncture. On the Chinese side, Beijing is shifting toward a more proactive foreign policy stance that aims to expand China's influence in the Asia-Pacific region and around the world.¹ This proactive approach is opening up new opportunities for U.S.-China cooperation in some areas but creating new tension in others. On the U.S. side, Washington is trying to figure out how to deal with a new, more confident and engaged China at a time when U.S. leaders are also realizing that some of the assumptions that guided U.S. policy toward China for decades may no longer apply.² It is increasingly unclear whether past U.S.-China interactions can be used as a blueprint for the future, and that is creating a new nervousness.

At a time of rising uncertainty, one resource both nations can draw on is a strong cohort of U.S. and Chinese foreign policy experts who have dedicated their careers to understanding and guiding this critical bilateral relationship. Exchanges at the mid-career level are becoming particularly interesting. Today's mid-career U.S.-China experts have had more opportunities to travel between the United States and China to live, work, and study than any generation before them. Many of these experts are bilingual: The Americans speak Mandarin, the Chinese speak English, and they can communicate in a mix of the two languages to get their points across as clearly as possible. Because they began their careers in an era of unprecedented openness on both sides, many have known one another for years and can debate sensitive issues with a frankness that can be harder to achieve at senior leadership levels.

With support from the Ford Foundation, the Center for American Progress is bringing these American and Chinese experts together to foster groundbreaking dialogues on some of the bilateral relationship's most difficult issues. On June 13–15, 2016, CAP brought seven U.S. experts and seven Chinese experts to Honolulu for a three-day U.S.-China Rising Scholar Strategic Dialogue. On both the U.S. and Chinese sides, roughly half of the participants work primarily on energy, climate, and ocean issues, and the other half works primarily on security

issues. These are the two halves of the U.S.-China strategic relationship: One is going very well, while the other is facing new challenges. The Center for American Progress combined the two sides to see what these experts could learn from one another and about the U.S.-China relationship as a whole. The security experts were impressed at the depth of U.S.-China alignment on energy, climate, and ocean issues, while the energy, climate, and ocean experts were struck by the deep differences in U.S. and Chinese views on security issues. We discovered that there may be opportunities for security experts to leverage some of the strategies that have been successful at bringing the United States and China into alignment on climate change. The discussion also revealed that there may be more maneuvering room on security issues than current officials realize.

The experts in this group^{*} believe that they are more likely to find answers to current challenges if they invest the time to better understand each other's views and show genuine respect for the differences between U.S. and Chinese perspectives. They also recognize that they can engage one another with a frequency and frankness that was harder for earlier generations to achieve. That openness bodes well for the future of this critical bilateral relationship. This report will convey key areas of agreement and disagreement that emerged during the three-day, closed-door discussions.

^{*} The views shared in the conference discussions and in this report are the participants' personal views and not representative of any U.S. or Chinese government agency.

China seeks a new strategic balance with the United States

The Chinese scholars in the U.S.-China Rising Scholar Strategic Dialogue group stated very strongly that the United States needs to respect Chinese interests—particularly in the Western Pacific—and stop turning every issue into a zero-sum competition between the United States and China. One Chinese scholar stated that the United States needs to give China more maneuvering room; in this scholar’s view, China does not want to create its own sphere of influence, but it does need more space to defend its own security interests. But from the U.S. scholars’ perspective, it is not clear what interests China actually wants to pursue. To be sure, most U.S. experts can list the top 3 to 5 demands that Chinese officials routinely make to their U.S. counterparts, but beyond that, it is not clear what role China wants to play in the Asia-Pacific region or the broader international system over the longer term or how that role would affect the United States.

What is clear at this point is that Chinese officials—and the Chinese scholars in the dialogue group—are willing to tolerate new tensions in the U.S.-China relationship in order to bring about a new strategic balance with the United States. This does not mean that Beijing is intentionally ratcheting up tension as a pressure tactic; rather, Chinese leaders are increasingly willing to act proactively to pursue their nation’s objectives, including in areas where U.S. and Chinese leaders disagree. That is something with which the United States may need to come to terms.

A new strategic framework is needed to guide policymakers through a changing era

From the U.S. scholars’ perspective, China is acting at home and abroad in ways that undermine the existing strategic frameworks that have guided U.S. policy toward China for decades. The United States has long pursued an engagement strategy that aims to support China’s economic development and integration with the international system as a means to push China toward becoming more like the United States and other liberal democracies. It is now clear that economic growth

did not bring about the transformational political reform that many Americans were envisioning. To be sure, as some of the Chinese scholars in the dialogue group pointed out, China is undeniably more open today than it was in the pre-reform, pre-engagement era. However, many American observers see that openness eroding: China's recent anti-Westernization campaigns, tighter press restrictions, extrajudicial detentions, and crackdowns on nongovernmental organizations are giving many American observers the impression that China is moving in the wrong direction on political openness and reform.³ American scholars who hoped for political change are experiencing a deep disappointment that colors their views of the U.S.-China relationship. Similarly, U.S. experts who prefer the so-called responsible stakeholder framework are finding their assumptions increasingly challenged by China's recent policy approaches in the South and East China Seas, which most U.S. experts—both in and outside our dialogue group—view as negative examples of Chinese behavior under President Xi Jinping's leadership.⁴

From the perspective of Chinese scholars in the dialogue group, if U.S. engagement is based on an assumption that China will eventually become more like the United States, then that assumption has been flawed from the beginning. In their view, Chinese reform started at home and China's path has been and will continue to be determined by the Chinese people themselves, not by the United States or any other outside power. As one Chinese scholar put it, the term "engagement" also gives the impression that the United States is dragging an isolated China into the international community, which, in that scholar's view, is not an appropriate metaphor today. To be sure, many of the Chinese scholars in the group do credit U.S. engagement as a contributing factor in China's economic development. From a political perspective, however, they would like to see the United States adopt a China policy that accepts China for what it is instead of trying to turn it into the American vision of what China should be.⁵

The Chinese scholars in the dialogue group are also frustrated with the responsible stakeholder framework. They appreciate the concept, but as they see it, when China actually does try to step forward to address international problems, the United States tends to react with suspicion. They perceive a gap between U.S. policy statements—which welcome and encourage China to play an expanding role—and U.S. actions, which more often seem to be aimed at blocking Chinese efforts. Many Chinese participants mentioned the U.S. reaction to the Asian Infrastructure Investment Bank, or AIIB, as a prime example.⁶ Several U.S. participants agreed that the initial U.S. reaction to the AIIB was not a shining moment

in U.S. diplomacy; those participants share their Chinese colleagues' frustration with an apparent tendency among some U.S. officials to have knee-jerk and short-sighted negative responses to what in some cases are reasonable and constructive proposals from Beijing.

Both sides agree that the United States needs a new or renewed framework for managing U.S.-China relations in an era when China is becoming increasingly powerful but not necessarily increasingly like the United States and other liberal democracies. However, the U.S. scholars in the dialogue group believe that before the United States can develop that framework, Chinese leaders will need to more clearly communicate—through statements and actions—the role they want their nation to play. Too often, Beijing expresses frustration but offers little in the way of concrete proposals for credible alternatives. If China does not aspire to be like the United States, then U.S. observers will need to hear more from Beijing about China's aims and goals, and Chinese leaders will need to communicate that information in terms that are far more concrete than their current norm. At least one U.S. participant noted that, across the board, Chinese leaders are less transparent than their U.S. counterparts, and that makes it more difficult—even for Chinese scholars—to identify and assess Beijing's decision-making, especially in military affairs and other sensitive areas. That difficulty breeds uncertainty on the U.S. side and leads U.S. experts to potentially overweight individual Chinese actions—such as recent actions in the South China Sea—as indicators of China's strategic goals and intentions.

Deeper communication and dialogue is the only way forward

The U.S. participants in the dialogue group perceive a near-term risk that U.S. and Chinese leaders will take actions that stifle bilateral dialogue—intentionally or unintentionally—during this transitional time when it is most needed. According to the U.S. participants, as tensions rise, some U.S. officials are becoming increasingly skeptical about engaging in official-track dialogues with their Chinese counterparts because many of those meetings do not produce near-term positive deliverables. To be sure, many of the U.S. officials who participate in the U.S.-China Strategic and Economic Dialogue and related U.S.-China forums do value those exchanges, but the U.S. scholars in the dialogue group perceive a waning enthusiasm that could decrease the political capital that U.S. leaders are willing to devote to U.S.-China government-to-government dialogues going forward. One U.S. expert also noted that Beijing has imposed political condi-

tions on diplomatic engagement with the United States in the past and continues to do so with Japan and other nations, and, at least among some U.S. officials, those restrictions dampen enthusiasm for dialogue with China. The U.S. experts in the dialogue group also noted that Chinese leaders are rolling out a new Law on the Management of Overseas Nongovernmental Organizations' Activities in Mainland China and other policies that will make it harder for American and Chinese experts to engage at the nongovernmental level going forward.⁷

The Chinese experts in the dialogue group do not report a parallel reticence on the Chinese side at this point in time, and their impression from U.S. officials is that U.S. government assessments of the U.S.-China Strategic and Economic Dialogue and other U.S.-China forums are not as negative as the U.S. scholars in the group report. Likewise, some Chinese participants argue that China's Foreign NGO Management Law and related policies are designed to address Chinese security concerns—not to cut off U.S.-China engagement.

What the U.S. and Chinese experts in the group all agree on is that more and better dialogue will be needed to navigate this uncertain era in U.S.-China relations. When relations are tense, there may be a natural inclination to shut down communication and engagement, but it is precisely when things are bad that those exchanges are most needed. One U.S. expert in the group used Keynesian economic theory to make this point: During an economic depression, the knee-jerk reaction is to curtail spending and hoard cash, but that drives the economy into a deeper depression; likewise, when U.S.-China relations deteriorate, the knee-jerk reaction is to reduce bilateral dialogue, but that only increases the risk that tensions will escalate and both sides will miss out on potentially beneficial cooperation. Just as political leaders must stimulate spending during a depression, Washington and Beijing should look for opportunities to expand and deepen bilateral dialogue during this transitional phase in U.S.-China relations. The officials who may not want to see one another—many of whom work predominantly on security issues—are often the ones who most need to do so.

Energy and climate cooperation remains a true bright spot

On energy and climate issues, China's rising foreign policy ambitions are creating new opportunities for groundbreaking U.S.-China cooperation. China's willingness to play a leadership role in the run-up to the 21st Conference of the Parties to the U.N. Framework Convention on Climate Change, or UNFCCC, in Paris was a watershed moment for China and for its relationship with the United States.⁸ On this issue, the two nations are clearly achieving more together than either could achieve alone, and that progress has helped balance out other, more contentious areas of the relationship. That being said, most of the experts in the U.S.-China Rising Scholar Strategic Dialogue group perceive a new trend emerging in 2016: Energy and climate cooperation is still going well, but tension in other issue areas is reaching levels that threaten to reduce the political appetite for cooperation across the board, including on energy and climate issues.

Interest alignment on energy and climate change may be replicable in other areas

Alignment on energy and climate change did not emerge organically; rather, U.S. and Chinese leaders constructed it through smart diplomacy. Aspects of that process may be replicable in other issue areas, including national security.

After U.S. and Chinese leaders clashed in spectacular fashion at the 2009 Copenhagen climate change conference, they worked together to purposefully reshape the bilateral dynamic in this domain.⁹ Climate negotiations have a zero-sum element that was problematic for both sides: Each suspected the other of shirking its own emission-reduction responsibilities while trying to coerce the other to do more. Once clean energy technology took off in the early years of the Obama administration, however, a new opening was created: Unlike fossil fuels, clean energy sources can be expanded indefinitely, so energy was no longer zero sum. U.S. and Chinese leaders utilized the opening to launch clean energy projects that eventually brought the two nations together not only on energy but on climate change as well.

At the working level, joint clean energy projects gave U.S. and Chinese officials, enterprises, academics, and nongovernmental organizations the opportunity to work side-by-side and gain a better understanding of the other nation's domestic context, thus reducing mutual suspicion. At the leadership level, bilateral energy projects created positive deliverables that improved goodwill and shifted the dynamic from conflict to cooperation. Over time, this pattern of positive interactions expanded the political will to work toward more ambitious goals. Energy cooperation also improved both sides' emission-reduction capacity and deepened mutual understanding about what the other nation could realistically aim to achieve. By November 2014, when the world was gearing up for a major climate summit, both sides were ready to take a leap on groundbreaking cooperation.¹⁰

The experts in the dialogue group agree that elements of this process should be replicated in other issue areas, but there is disagreement about what is replicable and what is attributable to unique factors that only apply to energy and climate issues. Some experts believe that the process of identifying one common interest and gradually building on that commonality to reframe a broader U.S.-China dynamic also can work on complicated security issues where common interests have been harder to identify and act upon. Security officials view one another primarily as rivals rather than partners, but that was once the case on climate change as well.

Just as U.S. and Chinese leaders used clean energy to forge a partnership within an otherwise zero-sum space, security officials are already making progress working together on nontraditional security issues such as human assistance and disaster relief—operations that leverage both nations' military strengths to achieve a common goal. The U.S. and Chinese experts in the dialogue group note sincere interest within both the U.S. and Chinese military communities to do more collaborative work on human assistance and disaster relief and other nontraditional security issues such as water scarcity, climate change, and fishery protection.¹¹ Security officials also are setting up new communication lines and rules of engagement. Over time, some of the experts in the dialogue group believe that those programs could produce a trajectory similar to the energy and climate case: working together on a common goal and exchanging views throughout that process, which leads to even more cooperative opportunities, improves bilateral understanding, and reduces mutual suspicion.

To be sure, there are fundamental differences across issue areas that determine how much policymakers can realistically achieve on a given issue at a given point in time. Some experts in the group think that the United States and China were able to achieve a breakthrough climate deal largely because Chinese citizens began pushing for air quality improvements at the same time, which empowered Chinese leaders to do something that otherwise would have been impossible. Most of these experts believe that what is replicable about U.S.-China climate cooperation is the role the two countries played in rallying other nations to take action on a common problem. They would like to see Washington and Beijing apply that same formula on other global issues of the public good where the two countries share common interests with both each other and the broader global community. Near-term opportunities include working together on financing sustainable development, protecting the Arctic, reducing hydrofluorocarbon emissions via the Montreal Protocol, reducing aviation emissions via the International Civil Aviation Organization, and nuclear nonproliferation. Some Chinese participants pointed out that flexibility is the key to success: One reason the Paris climate agreement succeeded is because it allowed nations to contribute based on their own capabilities. That flexibility was critical for bridging the developed-versus-developing nation gap on climate change and will likely be critical for other global public good issues as well.

The dialogue group's exchange suggests that, at a minimum, it may be worthwhile to bring climate and security officials together to expose officials working in problematic areas of the relationship to a more positive U.S.-China dynamic. Some security officials may find it refreshing and encouraging to participate in an issue area in which U.S. and Chinese counterparts share a deep common interest. That may generate new ideas for what the nations can achieve on the security side.

Although climate cooperation is going well, both sides are already nervous about each other's domestic political trends

From a Chinese perspective, U.S. presidential election politics are causing particular concern. The Chinese experts in the dialogue group worry that because the U.S. climate commitment is based on executive action, the next U.S. president could decide not to follow through.¹² Chinese experts are also monitoring the U.S. Clean Power Plan and its regulatory difficulties. They know that the plan is critical for U.S. emission reductions and worry that recent implementation delays will delay U.S. progress. The U.S. experts also raised concerns about Chinese politics.

China's economic trajectory is still uncertain, and some experts in the group worry that if the economy slows too much, Beijing may unleash a new round of heavy infrastructure stimulus that would stall the nation's clean energy transition and carbon emissions peak.¹³ Some U.S. experts also raised concerns about the validity of China's energy and climate data.

In addition to doubts about each other, one thing the United States and China have in common is difficulty educating their respective domestic audiences about the likely future impacts of climate change. One Chinese expert suggested that the United States and China should combine forces to help people in both nations better understand how climate change will affect them and what both sides can do—both on their own and working together—to mitigate and adapt to those impacts.

Despite general U.S.-China agreement on next steps in response to climate change, there are different ideas about how to move forward

The Paris climate agreement was a critical step in the right direction, but the emissions reduction promises it put forward do not add up to the degree of change needed to avoid catastrophic global warming. Two things must happen to keep temperatures from rising more than 1.5 degrees to 2 degrees Celsius above preindustrial levels, which scientists identify as the boundary beyond which additional warming is likely to trigger the most dangerous effects around the world.¹⁴ First, all nations must ramp up their emissions reduction ambitions. U.S. and Chinese officials—as well as the U.S. and Chinese experts in the dialogue group—agree that the United States and China must lead that global effort, but the two sides have different ideas about how to move forward, including regarding the pace at which to issue new targets.

Second, the global community must maximize additional emissions-reduction opportunities beyond the U.N. Framework Convention on Climate Change. U.S. and Chinese experts generally agree that reducing hydrofluorocarbons via the Montreal Protocol and reducing aviation emissions via the International Civil Aviation Organization are critical near-term opportunities. U.S. participants in the dialogue group would like to see the United States and China move quickly to drive global progress on both fronts, but some Chinese participants are more cau-

tious about bilateral action—they want to avoid getting out too far in front of the global community, which, in their view, could give other nations the impression that the United States and China are acting as a Group of 2, or G-2.¹⁵ Compared with the U.S. participants in the group, the Chinese scholars are also much more concerned about making sure that emissions reduction efforts via the Montreal Protocol and other non-UNFCCC forums do not divert political capital away from the UNFCCC.

Ocean cooperation could be the next great success story

The United States and China share a deep common interest in ocean issues that they have only begun to identify and explore. In 2015, U.S. and Chinese leaders launched a new ocean track under the U.S.-China Strategic and Economic Dialogue. This bilateral maritime agenda focuses on combating five challenges to ocean conservation: ocean acidification, unsustainable fishing, marine pollution, marine litter, and global climate change.¹⁶ U.S. and Chinese officials are in the very early stages of launching collaborative projects on these topics.¹⁷

There is a near-term need to strengthen the institutions and process of U.S.-China ocean cooperation

The climate experience demonstrates that government officials cannot produce game-changing cooperation on their own. U.S. and Chinese academics, think tanks, enterprises, and other nongovernmental organizations play a critical role in identifying and working through areas of agreement versus disagreement and highlighting cooperative opportunities for the official track. The ocean space does not yet provide good platforms for nongovernmental U.S.-China engagement and cooperation. However, each country's stated interests in developing "blue" or maritime economies in environmentally sustainable ways suggest that there is value in promoting further U.S.-China ocean-expert exchanges to ensure that opportunities for cooperation and progress are not lost.¹⁸ The experts in the dialogue group agree that the most pressing needs are in fishery protection and maritime science and technology cooperation. China, in particular, faces acute needs in these areas and could benefit from collaboration with U.S. ocean experts. Most Asian fish stocks are already overfished, but fishing continues to expand.¹⁹ This could trigger a food crisis in the very near future. The United States has best practices to share from fishery regulation along American borders, but U.S.-China exchanges on these issues are sporadic and primarily limited to the official track.

Research and cooperation on sustainable fishing and other ocean issues could be insulated from sovereignty disputes

One problem restricting cooperation at both government and nongovernmental levels is the political sensitivity that surrounds fishery issues in disputed waters. These sensitivities scare away many officials and academic researchers from investing significant time and resources toward developing research programs on fishery issues. These concerns are affecting all aspects of the ocean domain, even the sharing of basic data on seismic activity and tsunami risks.

Experts in the dialogue group agree that U.S. and Chinese officials need to establish rules for U.S.-China ocean engagement—either formally or informally—that would reassure scientists and encourage them to work together on ocean issues even when relations are difficult. Some experts in the group believe that, even in the South China Sea, Beijing would be willing to work on fishery management and other multilateral governance issues if sovereignty can be left at the door. Some experts proposed a multilateral effort to survey South China Sea fishery stocks that could, if successful, serve as a building block for a more long-term multilateral regional fishery management program. If the United States and China could work with other Asian nations to make progress on fishery management, they could potentially diffuse diplomatic and political tensions among claimants to the South China Sea.

Both sides will have to dig deeper to address regional security concerns

At the macro level, the United States and China also share many common interests on regional security issues. Both nations aim to maintain peace and stability, and both want to avoid a direct U.S.-China military conflict. Despite that macro-level agreement, however, the details are becoming more dangerous. This is where China's vast territorial claims, increasing military capabilities, and expanding foreign policy ambitions are triggering the most concern on the U.S. side—and where U.S. actions to strengthen its leadership in the region are triggering the most concern from China. From a security perspective, both nations have a tendency to view the Western Pacific through a zero-sum lens. China wants to expand its influence to match its expanding economic, diplomatic, and military capabilities; U.S. observers are watching China's moves and concluding that what China has in mind for the region would undermine the United States and its allies. China, in turn, gets frustrated when the United States takes actions that, from a Chinese perspective, appear aimed at undermining Chinese interests in the region. Some U.S. and Chinese experts in the dialogue group also noted that both sides tend to view regional security issues through a strictly bilateral U.S.-China lens when, in reality, other countries are involved and affected as well.

The current dynamic is deeply troubling.²⁰ Both nations suspect that any accommodation toward the other would undermine their own national security interests. That being said, the experts in the group do believe that there is room to cooperate and that the states do in fact have a fundamental shared interest in a peaceful and stable Asia-Pacific region. U.S. and Chinese security concepts are not fundamentally incompatible. The challenge is to identify how they can fit together in an era when the United States is rebalancing to the region and China is simultaneously increasing its regional military capabilities and foreign policy ambitions.²¹

The U.S.-centric alliance system makes China feel like a target, and that is a problem for both nations

The U.S. and Chinese experts in the dialogue group have fundamentally different views about how U.S. alliance relationships work in the Asia-Pacific region and what that alliance system is designed to achieve. The Chinese foreign policy community generally views the alliance system as a relic of the Cold War. The prevailing view is that the United States pivoted from containing Russia to containing China; many Chinese scholars argue that containing or balancing against China is the only logical explanation for why the United States continues to maintain the system. One Chinese expert in the group stated that regardless of U.S. intentions, the system is inherently suboptimal because it can lead to bloc politics, and since China is the nation standing outside the bloc, such politics can only be detrimental to it.

The Chinese experts in the group recognize that the United States and its allies are unlikely to dissolve those relationships in the foreseeable future. They also recognize that the U.S. presence has served as a stabilizing factor. One Chinese expert noted that the U.S. presence prevented Japan and South Korea from developing nuclear weapons programs, thus preventing a potential nuclear arms race among China, Japan, and South Korea. One Chinese expert pointed out that most Chinese observers do not view the U.S.-Thai alliance as a security threat and did not view the U.S.-Philippines relationship as a threat until the disputes escalated between China and the Philippines in the South China Sea.²² At best, however, U.S. alliances make China feel isolated, and at worst, they make China feel that the United States and its allies are ganging up to undermine Chinese security interests.

The U.S. experts in the group do not view U.S. alliances as inherently anti-China, but they do agree that it makes sense to seek a regional security arrangement that puts the United States, China, and other Asian nations on the same team. When the prevailing U.S. security architecture locks China out, it feeds U.S.-China competition and tension in ways that are detrimental to both nations. Some U.S. observers suspect that China's true goal is to oust the United States and take over as the dominant power in the Asia-Pacific region, but the Chinese experts in the dialogue group adamantly oppose this view.²³ They argue that what China wants and needs is reassurance that the United States and its allies are not working in concert to undermine Chinese interests in the region.

While the U.S. experts in the group feel strongly that the alliance system needs to be maintained as a security guarantor—especially during this time of rapid regional change—they did agree that it is in the United States’ interests to explore options for addressing Chinese concerns, which may include finding ways to make the alliance system more inclusive vis-à-vis China. U.S. and Chinese experts in the group propose moving forward along multiple paths at once, including through more trilateral dialogues between the United States, its alliance partners, and China; more joint exercises that give military and security officials from multiple nations an opportunity to work collaboratively; and the exploration of mechanisms that could give China an official access point into the U.S. alliance system. One Chinese participant suggested that this access point could be modeled on the North Atlantic Treaty Organization’s NATO-Russia Council.²⁴ In addition to easing China’s sense of isolation—which fuels Chinese security fears—these engagements should help demystify U.S. alliance relationships and ease suspicions that the United States and its allies are ganging up to undermine China.

The South China Sea is a boulder in the middle of the U.S.-China relationship

Technically, the South China Sea territorial disputes are not U.S.-China disputes, but the issue has become, as one U.S. expert in the dialogue group put it, “a boulder in the middle of the relationship” that is blocking progress across a range of issues. From a U.S. perspective, according to the U.S. participants in the dialogue group, the South China Sea has become a test case through which China is revealing—through its words and actions—what Beijing wants the world to look like and how it will act in the future to achieve that vision. The message U.S. observers are receiving is that, as China’s military strength grows, Beijing is likely to leverage that strength against smaller nations and flout international norms and laws to further China’s own national interests. To be sure, one U.S. expert in the group pointed out that the East China Sea dispute could pose an even greater threat to regional peace and stability, and multiple U.S. and Chinese participants agreed that the South China Sea should not define the U.S.-China relationship; there are plenty of collaborative issues, such as climate change, where the dynamic is more positive.²⁵ On both sides, however, many officials and foreign policy experts do view the South China Sea as a defining issue in the U.S.-China relationship, and the impact is overwhelmingly negative.

The biggest challenge that Washington and Beijing face on this issue is the fact that U.S. and Chinese experts—including the experts in the dialogue group—perceive fundamentally different realities in the South China Sea. All of the Chinese experts in the group believe that the U.S. rebalance to the Asia-Pacific region triggered the current South China Sea crisis, but they have different views about U.S. intentions. Some believe that the United States has intentionally acted as a “black hand,” as one participant noted, to push its allies to act more aggressively in their territorial disputes with China; others think that the Philippines, Japan, and other U.S. partners are taking advantage of their close relationship with the United States in ways the United States did not intend. The U.S. experts in the group view things very differently: They view rising Chinese aggression as the trigger. In their view, China made the first move, U.S. allies and partners sought U.S. support to confront a rising Chinese threat, and now Chinese aggression is undermining regional security in ways that are detrimental to China’s neighbors and to China itself.²⁶

One thing the U.S. and Chinese experts in the dialogue group all agree on is that, although the situation is dangerous, there is still a degree of maneuvering room. Some of the Chinese scholars believe that recently elected Philippine President Rodrigo Duterte is adopting a more pragmatic position on the South China Sea than his predecessor and that this new pragmatism creates an opportunity for China and the Philippines to work bilaterally to deescalate the crisis. Those scholars would like to see the United States take action to encourage and facilitate Sino-Philippine cooperation. One Chinese participant proposed negotiating a China-Philippines fishing agreement to address fishing rights as a separate issue without waiting for a resolution on the jurisdiction of specific land features. There is general agreement within the group that the best way forward is to separate out the different elements of these conflicts, put sovereignty aside for the time being, and negotiate on the lower-hanging fruit.

Whereas the Chinese scholars in the dialogue group view maritime territorial disputes as the primary regional security concern, the U.S. experts believe that the North Korean nuclear problem poses an equally serious and potentially greater security threat. Some U.S. experts in the group note that while the South China Sea is currently taking up a tremendous amount of time and attention in the U.S.-China security relationship, North Korea looms as a problem that is becoming more dangerous as time goes by. All of the experts in the group agree that the North Korean nuclear issue should not be neglected. It is also an issue on which the United States and China have clear common interests since both nations want a nuclear-free Korean peninsula and since both believe that a second Korean War would fundamentally undermine regional peace and prosperity.

U.S.-China military-to-military dialogues should continue and expand to include issues related to strategic intent

The military-to-military relationship between China and the United States has made some significant progress over the past decade, albeit from a low base. The relationship has finally matured to the point where communication can continue even when the relationship is tense. The two militaries are also making some progress on crisis management and are developing common operational procedures to reduce the risk that unplanned military encounters will escalate into a crisis. Going forward, the experts in the dialogue group agree that as a next step, U.S. and Chinese leaders should look for opportunities to deepen the military dialogue to include exchanges that will help both sides understand the other's short- and long-term strategic doctrine and intentions. The military component of the U.S. rebalance to the Asia-Pacific region continues to alarm Chinese observers; likewise, U.S. observers are alarmed by what they perceive as rising Chinese aggression on maritime territorial issues. At the same time, the Chinese military is entering a period of potentially transformative change: Capabilities are rising, and Beijing recently launched a massive military reorganization program. Both sides are already concerned about the other's military capabilities, operations, and intentions; without improved dialogue, those concerns are likely to rise, and that would be detrimental to both nations.

Unfortunately, many U.S. observers are questioning the utility of continuing current dialogues because, despite recent progress on crisis management, these dialogues are not producing a noticeable change in Chinese behavior or significant improvements in U.S. understanding of Chinese decision-making. To be sure, Chinese scholars in the dialogue group point out that they could say the same: Existing dialogues have not changed U.S. military strategy in the region or reduced U.S. operations that they view as detrimental to Chinese interests. On the U.S. side, in addition to raising questions about the utility of these dialogues, some observers are raising concerns that they may disproportionately benefit China—that is, by improving Chinese intelligence about U.S. military technology and operational know-how—or reward Chinese military behavior that the United States opposes—by bestowing international prestige and potentially giving false impressions that the United States accepts that behavior.

All of the experts in the group agree that tense times call for more dialogue, not less; if current mechanisms are not satisfactory, they should be reformed and/or expanded, not curtailed. Experts in the group put forward multiple ideas for reform and expansion, including creating a separate military track under the U.S.-China Strategic and Economic Dialogue; creating new dialogue mechanisms between Chinese theater commands and U.S. combatant commands; creating new service-to-service exchanges; and creating a mechanism for exchange between the U.S. Department of Defense and the Chinese Central Military Commission.

Conclusion

There is much to gain from taking the time to better understand the commonalities and differences between U.S. and Chinese perspectives on critical issues in the two countries' relationship. The United States will elect a new president this fall, and although Chinese President Xi Jinping is expected to remain in place through 2022, China will reshuffle most top Chinese Communist Party leadership posts in the fall of 2017 and most top government posts in the spring of 2018. These transitions present a natural opportunity on both sides to assess what is going well in the relationship, what is not going well, and how both sides can adjust policy to improve outcomes. The U.S.-China Rising Scholar Strategic Dialogue group identified issues that offer a good starting point for both nations.

About the author

Melanie Hart is a Senior Fellow and the Director of China Policy at the Center for American Progress. She thanks the U.S. and Chinese dialogue participants for the insights they shared during the Honolulu program and during the writing of this report. This report aims to represent the group discussion as accurately as possible. To hear more about the perspectives of individual participants in the dialogue, please reference their individual work.

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Endnotes

- 1 The U.S. and Chinese participants in the dialogue group agree that it is appropriate to describe Chinese foreign policy as increasingly “proactive.” Some U.S. experts would also describe Chinese foreign policy under President Xi Jinping as increasingly “assertive,” but other U.S. experts in the group believe that “assertive” carries a negative connotation that should not be used to describe Chinese foreign policy in general. None of the Chinese experts in the group believe that “assertive” is an appropriate term for describing Chinese foreign policy in general. For U.S. analysis regarding the use of “assertiveness” in this context, see Alastair Iain Johnston, “How New and Assertive is China’s New Assertiveness?,” *International Security* 37 (4) (2013): 7–48, available at http://belfercenter.ksg.harvard.edu/publication/22951/how_new_and_assertive_is_chinas_new_assertiveness.html.
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- 26 The U.S. scholars in the dialogue group agree that Chinese behavior in South China Sea territorial disputes can be described as "aggressive." At least one U.S. expert believes that a more moderate term such as "destabilizing assertiveness" may also be appropriate, but all U.S. experts can support using the word "aggressive" to describe Chinese behavior in the South China Sea. The Chinese scholars in the group do not agree: They would describe Chinese behavior in the South China Sea as "proactive" but not "aggressive."

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