

# CHINA BALANCE SHEET

## CHINESE FOREIGN POLICY

The direction that China and U.S.-China relations take will define the world's future. For the United States, a rising China increasingly affects American prosperity and security, calling for some clear-eyed thinking and tough economic, political, and security choices. As the twenty-first century unfurls, the stakes have never been higher for getting U.S. policy toward China right. By untangling the complex, sometimes contradictory, strands of this vast and dynamic country, *China: The Balance Sheet* lays the foundation for informed and effective U.S. policy toward China, the world's emerging superpower.

### BACKGROUND

- **China often characterizes its foreign policy and national security goals in terms of a series of principles and slogans.**
- Since the 1980s under Deng Xiaoping, Beijing has said it pursues an “independent foreign policy of peace” under which China’s “fundamental” foreign policy goals are:
  - **“To preserve China’s independence, sovereignty and territorial integrity,”** and
  - **“To create a favorable international environment for China’s reform and opening up and modernization.”**
- China has also formally introduced the concept of a “harmonious world” into its official lexicon to compliment its commitment to “peaceful development,” and a “harmonious society” at home (see box).
- China’s concern over its “territorial integrity” is most associated with (re)assumption of sovereign control over Taiwan and continued control over the restive western autonomous regions of Xinjiang and Tibet.
- As communism declined as a credible ideology, **the measure of the Chinese Communist Party’s fitness to lead – and arguably its survival – became based on its ability to enhance national prosperity, restore China’s prestige and stature as a great power,** and unify the nation.

### CURRENT SITUATION

- **China has placed particular emphasis on the development of “good-neighborly” relations and “partnership” with border countries in order to prevent external threats from exacerbating internal frictions.** China has emphasized non-military aspects of its comprehensive national power, adopting a three-pronged approach of:
  - Setting aside areas of disagreement with neighboring states;
  - Focusing on confidence-building measures to promote ties; and
  - Engaging in economic integration and multilateral cooperation to address shared concerns.

For further information, see Chapter 5:  
“China’s Foreign & Security Policy: Partner or Rival?”

*China: The Balance Sheet: What the World Needs to Know Now about the Emerging Superpower*

Authors: C. Fred Bergsten, Bates Gill, Nicholas R. Lardy and Derek Mitchell

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- **China has sought to isolate Taiwan in the international community**, including withdrawing official recognition from the dwindling number of African, Latin American, and Oceanic nations that have official diplomatic relations with the “Republic of China on Taiwan.”
- China’s urgent need to acquire natural resources for its economic development, including but not limited to energy (oil and natural gas), has led **Beijing to reach out increasingly to nations with resources avail.**

*China has proclaimed its interest in a “peaceful international environment” to enable Beijing to focus its energies inward on its enormous internal challenges.*

## IMPLICATIONS

- **China’s essentially defensive posture and keen desire for a peaceful international environment to allow focus on its domestic challenges provide hope for cooperation with the United States** (and others) to sustain regional stability and common development.
- **Questions remain about future Chinese foreign policy, however, particularly as China becomes stronger**; for instance, how will overlapping territorial claims in the South China Sea, East China Sea, and along its western border (with India) be resolved? How will China apply its growing political and economic power should its domestic situation falter?
- **China’s “energy diplomacy” has led to close relationships with unsavory regimes**, which has raised questions about China’s role as a responsible international actor.

Term	Definition	Implications
“Five Principles of Peaceful Coexistence”	<ul style="list-style-type: none"> <li>● Mutual respect for sovereignty and territorial integrity;</li> <li>● Mutual non-aggression;</li> <li>● Non-interference;</li> <li>● Equality and mutual benefit;</li> <li>● Peaceful coexistence</li> </ul>	<ul style="list-style-type: none"> <li>● Good-neighborly relations—preventing external instabilities from “spilling over” to fuel internal frictions;</li> <li>● Non-interference in internal affairs, most notably Taiwan, Tibet,</li> </ul>
“New Security Concept”	<ul style="list-style-type: none"> <li>● Unveiled in 1997 to reflect China’s aspiration for a new post-Cold War international security order:</li> <li>● Adherence to the Five Principles of Peaceful Coexistence;</li> <li>● Emphasis on mutually beneficial economic cooperation among states;</li> <li>● Pursuit of confidence-building measures amongst states;</li> <li>● Establishment of bilateral “strategic partnerships” that are not directed at any third country</li> </ul>	<ul style="list-style-type: none"> <li>● Marks new proactive Chinese approach to international affairs;</li> <li>● Offers alternative vision of international order, particularly in relation to the U.S. alliance based security structure in East Asia.</li> </ul>
“Peaceful Rise”/ “Peaceful Development”	Campaign to reassure the international community, and particularly neighboring countries, of China’s benign future and that China’s rise will not be a zero-sum game.	
“Period of Strategic Opportunity”	Conceived in 2002, the next twenty years will be a period during which China’s relations with its periphery and with major powers such as the United States are expected to remain essentially stable to allow the PRC to focus its attention on “building a well-off society” at home.	
“Harmonious World”	First publicly introduced by Hu Jintao at the World Summit and 60th General Assembly of the United Nations in 2005. While the exact meaning and policy implications of “harmonious world” are undefined, the slogan is meant to demonstrate China’s commitment to global peace and stability, and to the goal of a more just and equitable international system	