

CHINA BALANCE SHEET

GLOBAL STRATEGIC COMPETITION

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 rejects any suggestion of global strategic competition with the United States.**
- **Nonetheless, China has become notably more proactive in its economic and diplomatic outreach.** This has been fueled by:
 - China's economic need to acquire the resources, secure the investments, and engage the markets it will need to continue its economic growth, safeguard domestic stability, and develop its comprehensive national power.
 - China's longer-term political goals to achieve a "multipolar world," in which several pillars of global power, including China, would balance U.S. global influence.
 - China's desire to reassure the international community about its own peaceful intentions in order to hamstring any incentive or attempt to bandwagon against growing Chinese power.

CURRENT SITUATION

- **U.S. observers have detected a degree of strategic opportunism in China's foreign relations in recent years relative to the United States.** (see box.)
- **China still refers to itself as the "world's largest developing country"** and has paid increasing attention to relations with the developing world as a critical component of its foreign policy.
 - China's promotion of equality and democracy in international affairs and opposition to external intervention in internal affairs appeals to many developing nations.
 - Natural resources necessary for China's development, particularly energy (oil and natural gas), are often found in the developing world.

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

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- **Nonetheless, Beijing's record of cooperation with developing countries in international institutions and forums is spotty;** Chinese self-interest will often win out over notions of "South-South" solidarity.

IMPLICATIONS

- China's proactive global outreach in recent years is natural for a growing nation of China's size, stature, economic needs, and desire to demonstrate its peaceful intent.
- **China has little interest in engaging in direct global competition with a superpower,** given its urgent need to focus on its critical domestic challenges.
- Nonetheless, **Beijing's global outreach does appear consistent with longer-term political goals to promote a multipolar world and to protect itself against the preeminent power of the United States,** while placing itself in a position to potentially balance against, if not compete strategically with, the United States once China achieves greater strength.

Examples of China's strategic opportunism in relation to the United States:

- *In May 2005, Beijing hosted Uzbek president Islam Karimov two weeks after the United States condemned him for violently suppressing unrest in the Uzbek city of Andijan. In July 2005, the Shanghai Cooperation Organization issued a statement calling on the United States to set a timetable for withdrawing its military presence from Central Asia.*
- *In 2003, Beijing took advantage of a period of tension between the United States and the Philippines to reach agreements with the Philippine government on closer political, military-to-military, and intelligence ties.*
- *China has leveraged growing trade relations with Latin American countries, and the desire of many governments to demonstrate political independence from the United States, to enhance its political ties with the region, including Venezuela, Brazil, Bolivia, and Argentina.*
- *In the wake of tensions between the United States and Europe during the first term of the George W. Bush administration, China appeared to leverage its growing economic, political, and societal relationships with the European Union to exploit transatlantic differences.*
- *U.S. decisions to sanction and/or isolate regimes in Cuba, Venezuela, Sudan, Burma, Iran, Angola, and elsewhere have provided an economic opportunity for Chinese investors, traders, and energy companies to fill the gap and for Beijing to develop political relationships with these governments.*
- *Despite historical mistrust, China's relationship with Russia in recent years has developed markedly as each side has found common cause in protecting itself against U.S. intervention in its internal affairs and in its neighborhood.*
- *In Southeast Asia, U.S. preoccupation with the war on terrorism and impatience with the "ASEAN way" of confidence building and consensus provided China with a strategic opportunity to enhance its position in the region through promotion of multilateral vehicles such as the ASEAN + 3 forum that exclude the United States.*