The normalisation of the U.S.-China relationship in 1979 heralded a new era in the bilateral engagement. In the early post normalisation period the bilateral relations extended from traditional diplomatic arenas to exchanges involving trade, business, culture, education, science and technology. Gradually with the passage of time, these new aspects have come into become the basis for a more comprehensive and stronger U.S.-China relationship. The post-cold war emerging world, which is also heading into a different scenario where economic concerns have come into the forefront; compounding the growth in the multilateral and bilateral trade relations among nations has implications on Sino-U.S. relationship. Countries are now contending with slow recovery from recession and are facing serious socio-economic problems. Under these circumstances, the industrialised countries are seeking at overseas markets, which would ensure their steady economic growth. The United States, European Union and Japan are competing with one another in various fields. A common feature in their competition is that they are all aiming at new emerging markets in the developing world to meet the challenges they will be facing in the present century. Similarly, this new development provides good opportunities for the developing countries in their efforts for economic modernisation. It is with this objective, I have tried to look into the trade and business relations of two politically, ideologically divergent and economically strong countries the United States and China.

The trade and business aspect of the Sino-U.S. bilateral diplomacy is of immense interest in the study of international relations today. Various trade and non-trade issues are influencing the bilateral relation over these years. These issues are important, as they have defined the general direction in which Sino-U.S. trade and investment relations have developed. They have posed as major irritants in the smooth sailing of the trade relations. However, it is interesting to note that
inspite of these encumbering issues, the bilateral trade and investment relations is looming large in the recent period. It also reflects the forces operating in favour of bringing the commercial interests of both the countries to the focal point of their diplomatic relationship. This has prompted to make an effort in the thesis to analyse how inspite of various political and economic frictions both the United States and China are trying to move along with a stable economic and trade relationship in this changing scenario.

The Layout

The thesis, while comprehensively examining the role of trade and business diplomacy in the national strategies of both the United States and China, seeks to present the research that is creative, perceptive and enterprising. It attempts to throw new light on the relationship between business and foreign policy, between commerce and national security in the long-term strategy of both the countries.

The thesis first presents a profile of trade and business diplomacy, the tools it employs and the goals it pursues. It has focused on the importance of the commercial interests and it’s convergence with the national interest of a nation in the present day world. The changing international dynamics especially in the post-cold war era has brought these interests into the forefront of international relations. The liberalised market led economy has further strengthened the particular facet of the diplomacy.

The next chapter discusses the Sino-U.S. trade and economic relations prior to the normalisation of their bilateral relationship in 1979. It traces the historical evolution of the West’s economic relationship with China. It has dealt with the course of Sino-U.S. bilateral relationship during the period of People’s Republic of China coming into existence in 1949 to the United States President Nixon visit
to Beijing in 1972. It has analysed the failure of earlier attempts by both the countries to initiate a diplomatic relationship between them until the historic visit of Nixon in 1972. This visit was an important step in solidifying the U.S.-China relationship, which ultimately led to the establishment of bilateral diplomatic relationship. All these events helped in promoting trade and economic interests between the two countries.

The third chapter focuses on the Chinese economic reforms since 1978 and its ramifications for U.S. trade and business interests. It has analysed the various forces behind the Chinese economic reforms initiated by Deng Xiaoping in 1978. These reforms through its different measures have brought major changes in the Chinese economy. The open door policy and other related opening measures in the export sector have made enormous impact in the overall growth pattern of China’s economy. At the same time, these economic reforms have helped in surging the U.S.-China bilateral trade and business relations.

The fourth chapter discusses the convergence of commercial interest in the national interest of the foreign policies of both the countries. It has examined the process and procedures of diplomatic management of Sino-U.S. trade and investment relations. The combined role of the respective governments, the public, the multinational corporations (MNCs) as the major players in managing the bilateral trade and business diplomacy has been focussed. The various strategies and negotiation characteristics used by both the countries also have been discussed.

Various trade and non-trade issues, which are plaguing the bilateral relationship, have been explained in the fifth chapter. It has looked into the bilateral negotiation process on resolving various conflicting issues ranging from bilateral trade imbalance, China’s WTO accession to human rights problem. Here
an effort has been made to highlight the protection of bilateral trade and business interest while negotiating over such issues between the two countries.

In the conclusion, the thesis analyses the course of bilateral trade and business diplomacy over these years. It has given policy recommendations for both the United States and China to promote their bilateral trade and economic relations, which would become the leading edge to stabilise their relationship in the changing world scenario. It has concluded with a small note on the role and functions of the multinational corporations in the international trade and business diplomacy management.

The Sources

This thesis brings out the centrality of commercial interests in Sino-U.S. bilateral relations by probing into primary sources, including the White House Reports, Congressional Research Reports, Strategic Assignments and national export plans of the U.S. government and the reports of the United States Trade Representative (USTR), Department of State and Department of Commerce. Similarly some of the official documents, reports and statistics of MOFTEC and other governmental departments of People’s Republic of China. The study’s heavy reliance on primary sources has been reinforced with material from key secondary works, particularly by leading analysts, academicians in this field. The research looked at both contemporary and historical documents to understand the predominance of commercial interest in the Sino-U.S. bilateral diplomatic relationship.

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