


# Chapter 8

## China's Geopolitical Strategy in Trade Policy: Navigating Strategic Autonomy and Global Influence

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### ABSTRACT

*This chapter examines the geopolitical dimensions of China's trade policy by analyzing how the People's Republic of China strategically leverages trade as an instrument of power to achieve greater strategic autonomy and expand its global influence in a rapidly shifting international order, particularly in the face of escalating tensions with the United States; it explores core policy instruments such as the Belt and Road Initiative, the Dual Circulation Strategy, and the Digital Silk Road, while also evaluating China's engagement with multilateral institutions, its efforts to securitize key supply chains, and its ambitions to reform global trade governance, concluding that China's trade strategy should be understood not merely as economic policy but as an integrated component of a grand geopolitical strategy aimed at reshaping the global order in line with its normative preferences and long-term interests.*

### 1. INTRODUCTION

The international order is undergoing a profound transformation, and China stands at the center of this tectonic shift. As the People's Republic of China (PRC) increasingly integrates geostrategic ambitions into its trade policy, it challenges traditional separations between economics and geopolitics. What was once conceived

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as a benign and market-driven engagement with globalization is now being reconfigured by Beijing into a comprehensive strategy aimed at reinforcing its strategic autonomy and extending global influence. Trade is no longer merely an economic instrument; for China, it has become an essential tool in crafting a multipolar world order more conducive to its interests and values. While debates about “decoupling,” “friend-shoring,” and “strategic competition” have become commonplace in Western policy discourse, they often overlook the depth and coherence of China’s own grand strategy. In Beijing’s view, trade is not only about market access or comparative advantage, but also about safeguarding national sovereignty, projecting soft and hard power, and defending civilizational legitimacy in an increasingly contested global arena (Jin, 2023).

The concept of “strategic autonomy” has traditionally been associated with actors like the European Union (Kim, 2023; Huang, 2024), yet it is now deeply embedded in China’s foreign policy discourse as well. This autonomy does not imply isolationism; rather, it signals a calibrated effort to ensure that key nodes of national power, especially technology, logistics, and critical infrastructure, are shielded from external coercion. Beijing’s response to the U.S.-led trade war, as well as its ongoing economic repositioning through strategies such as the Dual Circulation Policy and the Belt and Road Initiative (BRI), reflect a concerted effort to rebalance dependence on foreign markets while leveraging economic ties for geopolitical ends (Hart, 2021; Rai, 2022; Rolland, 2019).

At the heart of China’s trade-geopolitical nexus lies a reinterpretation of globalism. No longer satisfied with being a participant in a liberal international order shaped by Western norms, China is attempting to reshape the architecture itself. As Mazzocco (2025) argues, the PRC’s engagement with energy, technology, and infrastructure in response to trade conflict with the U.S. is illustrative of a broader ambition: to cultivate resilience against external shocks and to build influence among the Global South. Similarly, Rolland (2019) identifies in BRI not just as an infrastructure network, but a deliberate soft power and influence operation embedded in geopolitical logics of alignment and dependence.

Importantly, this strategic reorientation takes place amid growing geopolitical fragmentation. Jean (2024) emphasizes that, while global trade fragmentation is often overstated, certain “hotspots”, particularly the U.S.-China bilateral relationship, are indeed experiencing clear geoeconomic decoupling. In these zones, trade flows increasingly reflect strategic realignment rather than market efficiency. For China, this fragmentation creates both challenges and opportunities: challenges, in terms of reduced access to critical foreign technologies and markets; opportunities, in the sense that it accelerates China’s push toward industrial upgrading, regional leadership, and alternative institutional formations (Jean, 2024).

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