The COVID-19 crisis has sharpened the debate between China and the United States over future leadership of the global order that has been dominated by the US since the end of the Second World War. Global Asia looks at China’s vision for a world order that could displace that of the US.

ESSAYS BY
Introduction: Chu Yun-han & Yang Guangbin 8
Qin Yaqing 12
Rosemary Foot 18
Chu Yun-han 24
Yves Tiberghien 32
Zhao Suisheng 38
Shiu Sin Por 44
Evelyn Goh 52
Di Dongsheng 58
Eberhard Sandschneider 66
It’s Time to See China for the Emerging Reformist Power It Is
By Chu Yun-han

The economic rise of China has unleashed a growing chorus of anxiety in some circles in the West, especially in the United States, about the likelihood that China will one day claim a right to greater leadership in world affairs. That day has come. Beijing has already taken numerous steps to imprint its views on global governance, and more will follow. It remains to be seen how China’s ambitions will play out, but it’s time for the US and other Western nations to acknowledge Beijing’s place at the table, writes Chu Yun-han.

SINCE THE GREAT RECESSION of 2008-09, the political elite in the West has been wrestling with the profound implications of China’s rise and the relative decline of the United States in the existing world order. To the dismay of many observers, US President Donald Trump has abdicated America’s international leadership and attacked existing multilateral arrangements, while many mainstream political forces in Western Europe are being washed away by the tidal wave of radical anti-globalization movements on the left and anti-EU populist uprisings on the right. Into that leadership void, China has emerged paradoxically as a beacon of stability and predictability as well as a major source of impetus propelling the world economy and regional integration forward. The calamity brought about by the Covid-19 pandemic only heightened anxiety as the world witnessed how the Trump administration fumbled its task to mitigate the virus while China emerged as the supposed savior of the world, sending needed medical equipment and doctors to heavily impacted countries.

With the day when China will overtake the US as the world’s largest economy on the horizon, many Western observers have experienced a deepening of their worries. First of all, they fear a corresponding disorder as the strategic competition between China and the US escalates. This has heightened ideological competition on the one hand, and an increasing resort to power politics on the other. A looming US-China economic Cold War might trigger deglobalization and a decoupling of the global economy. Some Western political leaders have also raised the concern that China has not only openly defied the game rules set by the erstwhile hegemon with greater frequency, but also begun to outline an alternative set of rules.1 They have been annoyed by the fact that China is initiating visionary policy initiatives to reconfigure the paths and rules of economic integration and globalization, advocating an even more ambitious agenda through such platforms as BRICS and the G20 to reform the mechanisms of global governance, and building up new multilateral institutions that complement, supplement and could partially replace today’s international institutions and rules of economic exchange and co-operation. They have been struck by China’s strategic vision to accelerate economic integration of the vast Eurasian continent, establish new multilateral lending institutions (such as the BRICS Investment Bank and the Asian Infrastructure Investment Bank, or AIIB), and supply ever more regional and global public goods in the form of new policy co-ordination mechanisms, investment funds, digital infrastructure for cross-border e-commerce and mega infrastructure projects that could vastly improve intra-regional or cross-regional connectivity via trade, personnel exchanges, financial transactions, knowledge sharing, energy transmission and digital communication.

Many mainstream international relations scholars have warned that the relative decline of the US and the rise of China (and other countries) will accelerate the erosion of the post-Second World War liberal international order (LIO) and bring more conflict, disorder and chaos to the world. Under the most dramatic scenario, the LIO might fall into one of the following two traps: First, it is in danger because China is poised to topple the existing order with its ambitious and aggressive global agenda. A strategic showdown between the US and China, which will tear apart globalization and bring down multilateral-

1 For instance, former German Foreign Minister Sigmar Gabriel, who fired a parting shot at China during the 2018 Munich Security Conference, slammed China’s Belt and Road Initiative with the allegation that China is developing a comprehensive system that is an alternative to the Western one.


CHINA AS A REFORMIST, NOT REVISIONIST, GLOBAL POWER
Is China a revisionist power attempting to establish a comprehensive system as an antithesis to the Western-led world order? It depends on how one defines the essence of the post-Second World War order and whether you look at the multi-faceted implications of the rise of China from a “Western-centric” view or the view of the global community.

Western opinion leaders who feel threatened by China’s rise usually trap themselves in one of the two Western-centric conceptions about the post-war liberal world order. First, they tend to conflate three liberal elements together: political liberalism (in opposition to authoritarianism), economic liberalism (in opposition to economic nationalism or mercantilism) and liberalism in the sense that international relations theorists use it (in opposition to realism and other theories of international relations).2 They assume that the three elements should always come together and thus fail to recognize the inherent tension and contradiction among the three. In reality, the neo-liberal turn of economic liberalism since the 1980s has brought about what Dani Rodrik termed “hyperglobalization,” and as a consequence, it is undermining democracy, eroding national sovereignty and destroying social solidarity.4 Such theorists also fail to recognize that the neo-liberalism of the last three decades has created an unprecedented concentration of economic power in a handful of giant firms that are able to capture huge economic rents by wielding
their monopolistic power and undue political influence. In addition, there is only flimsy historical evidence to suggest that Western liberal democracies are more credible supporters of an open, rules-based multilateral trading system or rules-based international relations more generally. If history is a guide, one should not forget which democracy triggered the escalation of protectionism and the total collapse of world trade during the 1930s. The Smoot-Hawley Tariff Act of 1930, which was signed by US President Herbert Hoover into law against the advice of more than 1,000 economists, plunged the world into the Great Depression.

It is presumptuous to assume that countries that are governed under non-Western political systems are necessarily less able to be responsible stakeholders of multilateralism. Many Western politicians have overlooked the simple fact that the prerequisites for being a responsible global stakeholder do not entail being a Western-style liberal democratic state. Instead, the most essential requirements are threefold: first, a functioning modern state that can make credible international commitments within the framework of multilateral arrangements and has all the necessary administrative, monitoring, regulatory, fiscal and coercive capability to fulfill multiple obligations and burden-sharing responsibilities in a highly interdependent global society; second, a resilient and legitimate political system that is buttressed by an institutional and/or cultural foundation that can help it effectively cope with domestic conflict over economic (re)distribution and withstand the stress of external economic shocks; and third, robust domestic political and economic institutions capable of coping with the socio-economic consequences of intensified economic competition and structural adjustment that inevitably come with economic globalization and regional integration. Such institutions work to sustain broad-based social support for economic openness and the imperative of being an integral part of an open and rules-based international system.

Whether Western-style representative democracy is necessarily better equipped than the Chinese-style socialist one-party state in terms of fulfilling these requirements is increasingly questionable as time goes by.

Second, they tend to conflate the existing hierarchical order with its liberal norms and rules. If one presupposes that the LIO can last only with the US and Western Europe constituting its core and preserving their coveted status and privileges under existing arrangements, then the entry of a rising superpower as gigantic and non-Western as China into this core will necessarily be viewed as a revisionist threat. This reasoning applies to any significant emerging power that does not conform to the model of the Western liberal state but aspires nonetheless to be a core member of this privileged club and have an equal voice. The reasoning goes as follows: as the core becomes less “Western” the international order becomes less “liberal,” or vice versa. Apparently, Christian Lagarde, the former managing director of the International Monetary Fund (IMF), had a better sense of how to separate the two. She reminded an audience in July 2017 that there is a built-in mechanism for orderly succession and that, “the International Monetary Fund could be based in Beijing in a decade if growth trends for China and other big emerging markets continue and these are reflected in the Fund’s voting structure.”

These two kinds of Western-centric conceptualizations — conflating political liberalism with economic liberalism and insisting that the current hierarchical order is necessary to maintain a rules-based system — are very much pro-European and make many Western European political leaders uncritical defenders of the status quo and, at the same time, give them an undue sense of self-righteousness. They fail to see the imperative of finding ways to construct and maintain open and norms-based international relations among sovereign states that are all intimately enmeshed with the rest of the world but are governed under various political systems. They are travelling down different paths to nation-state building, and are endowed with diverse cultural and religious heritages. In today’s world, this Western-centric way of conceptualizing the liberal international order is a sure recipe for a clash of civilizations.

Furthermore, these two conceptualizations are increasingly anachronistic. Since the 2008-2009 global financial crisis, China and other emerging economies have been the locomotive of the world economy, accounting for more than 70 percent of world GDP growth. According to a recent research paper from PriceWaterhouseCoopers, in terms of purchasing-power adjusted GDP, the Emerging Seven (E7) — China, India, Russia, Brazil, Mexico, Turkey and Indonesia — were half the size of the G7 in 1995, around the same size in 2015 and could be double its size in 2040. So, if this trend continues, the “core” will be inevitably diluted and reconstructed.

If we move beyond Western-centric conceptualizations and strip the post-Second World War liberal world order from its historical specificity, one can convincingly argue that China is a rising global power with a reformist agenda. It is reformist (rather than revisionist) in the sense that China’s emerging global role might...
China’s Push for a New Global Order

First of all, China subscribes to a norms-based, not power-based, world order. It upholds the institutions of the UN’s collective security system, which privileges the five permanent members on the Security Council and delegitimates aggression and war as means of pursuing state interests. China signed up to all major international regimes on non-proliferation and has been instrumental in their enforcement, including its active involvement in brokering the Iranian nuclear deal and its critical role in defusing a simmering nuclear crisis on the Korean Peninsula, something Donald Trump openly acknowledges.

China embraces a free and open trading system under the principles of inclusion, nondiscrimination, reciprocity and transparency. It favors open regionalism and endorsing multilateral approaches to trade liberalization. It upholds the norm of providing special assistance to, and preferential treatment for, less-developed countries under the World Trade Organization or through multilateral development-assistance agencies. It is now widely regarded as a champion of regional integration and globalization with the larger aim of preserving peace, promoting inclusive growth and enhancing social sustainability. It contributes its fair share to the protection of the global commons through multilateral agreements and global collaborative efforts. It has shown ever stronger willingness to take up greater responsibility in either existing multilateral institutions, such as the UN, the IMF and the World Bank, or by tackling emerging global challenges through reforming the mechanisms of global governance. To a large extent, many Western countries should congratulate themselves for successfully socializing China into a liberal world order based on multilateralism.

Furthermore, Chinese leaders recognize that the country’s emerging global role needs to be built on the foundation of post-Second World War multilateral arrangements. This foundation is now teetering, however, so it needs to be refurbished, upgraded and/or reformed to be more in tune with a rapidly changing world. China views today’s system of global governance as imperfect and inadequate. It agrees with most of its liberal characteristics, but not always with its implicit or explicit frozen hierarchy, much less the frequent transgressions by its creator. China has moved to forge common ground among major developing countries on a reform agenda under the central theme of “multi-polarization and the democratization of international relations,” in particular pushing for a more representative governance structure that gives more voice and responsibility to emerging economies and strengthens the principle of equality, not just in the norms and rules but also in their implementation. China also proposes to upgrade the function or scope of existing institutions so that they can take up new challenges brought about by climate change, global economic imbalances, the monopolistic power of dominant multinational firms, the explosion in the world’s population and technological revolution.

China seeks to fully utilize two key policy-co-ordination platforms to advance its reform agenda for global governance. Under the auspices of the BRICS Plus, which was launched at the 2017 Xiamen Summit to engage other significant emerging economies such as Mexico and Indonesia, China seeks to forge common ground among emerging economies and articulate the collective interests of the Global South. China values the G20 as the key platform for dialogue, negotiation and co-ordination between two major de facto caucuses in this global grouping of elite members, the G7 (representing the developed world) and BRICS Plus (representing the developing world).

China has also shown its resolve to build up new multilateral institutions or arrangements, such as the BRICS New Development Bank and the AIIB, to address the inadequacies of existing global and regional multilateral institutions. In doing so, China is able to exert greater pressure on existing multilateral institutions to reform and upgrade in a timely fashion. For instance, by establishing multilateral contingent currency swap arrangements, such as the Chiang Mai Agreement and the BRICS Contingent Reserve Fund, participating countries can collectively prevent predatory hedge funds from instigating currency crises and igniting a contagious regional financial crisis; at the same time, these new arrangements can compel the IMF to revisit its draconian conditionality and adopt new institutional views on the need to regulate international capital flows.

China is pushing for cautious reform of the global order, however, not a rupture. Many believe the China-led BRICS grouping shows no signs of seeking to overthrow or destabilize the international order. The BRICS Xiamen Declarations (like previous declarations) reaffirm support for the status quo, without any intention to weaken existing institutions or arrangements. In its declaration at its 2017 Summit, BRICS leaders affirmed that “we will stand firm in upholding a fair and equitable international order based on the central role of the United Nations, the purposes and principles enshrined in the Charter of the United Nations and respect

help strengthen and refurbish many important principles that undergird the existing liberal international order.


11 "Apprehension toward China’s emerging global role is hardly justifiable. To a great extent, it reflects a parochial way of making sense of the complex and multi-faceted implications of China’s growing influence over the global agenda and its ever more ambitious global strategy."
THE CHINESE MODEL OF DEVELOPMENT

What also makes most Western leaders anxious is the fact that China is becoming more confident about its own development model and has shown a stronger desire to share its experiences with other developing countries. Indeed, the Chinese approach to regionalism and economic integration is an alternative path to deepening economic partnership and regional integration. The Chinese model contests the superiority of Western liberal democracy or the free-market system over multilateral policy coordination and other foreign-policy priorities.

In addition, China favors an alternative path to deepening economic partnership and regional integration. It gives the state, multilateral policy coordination mechanisms, multilateral lending institutions and state-owned enterprises a much bigger role in fostering economic development and regional co-operation than US-led donor organizations are willing to endorse under their neo-liberal policy guidelines. Unlike the EU model or the trans-Atlantic partnership, the Chinese approach to regionalism and economic partnership does not take security alliances and democratic solidarity as prerequisites for deepening economic integration. This formula, however, was not invented by China. The Association of Southeast Asian Nations (ASEAN) and other non-Western regions have practiced it for decades.

It is unlikely, however, that China will persuade the developing world to adopt its model of development uncrítically or on a wholesale basis because this predisposition runs counter to its own longstanding policy mottos and accumulated experiences. Out of its own experience, China opposes the one-size-fits-all approach under the so-called Washington Consensus and does not believe in the teleological convergence under the End-of-History thesis. Chinese leaders have consistently emphasized that an important lesson of the Chinese model is that there is no standard textbook that can provide the complete answer to addressing an individual country’s socio-economic challenges. Chinese leaders also often emphasize that “the socialist market economy with Chinese characteristics” might not be readily transportable to other socio-cultural contexts. After all, China’s trajectory has been rather unique, moving through an anti-imperialist struggle into nation-state building, not to mention its massive size, distinctive historical memory and cultural heritage. Also, there is little evidence to suggest that China’s foreign assistance programs are tied to specific ideological requirements, although the allocation of China’s soft loans and assistance might well be motivated by geopolitical considerations and other foreign-policy priorities.

A large majority of developing countries welcome China’s willingness to shoulder greater responsibility within the existing multilateral framework. Given its weight, China will inevitably play a bigger role in co-managing the global economy through the G20 and other multilateral institutions and policy-co-ordination platforms. China has already significantly increased its fiscal and in-kind contributions to the UN, the Security Council’s peace-keeping missions and a wide range of specialized UN agencies, just as the US is reducing its annual contributions to the UN budget and has pulled itself out of UNESCO (and, most lately, the WHO).

China was also an indispensable player during the treacherous and protracted multilateral bargaining leading to the UN Climate Change Agreement. At the 21st Conference of the Parties (COP 21), China gingerly used its double-edged leverage — that is, being the single largest source of greenhouse gas emissions on the planet and putting on the table the single most significant and credible pledge to fulfill its 2030 Nationally Determined Contribution (NDC) — and emerged as one of the key interlocutors that helped seal the Paris Agreement in 2015.11

FILLING THE ‘REAL’ VOID

The growing apprehension toward China’s emerging global role is hardly justifiable. To a great extent, it reflects a parochial way of making sense of the complex and multi-faceted implications of China’s growing influence over the global agenda and its ever more ambitious global strategy.

Many realist-minded analysts in the West raise the concern that China is eager to fill the strategic vacuum left behind by the US retreat. This is a typical pseudo issue, because it does not resonate with the way Chinese leaders perceive the world and their country’s proper role in it. First of all, China has little desire or predisposition to create another hegemony by exerting its military, political, economic and ideological predominance around the globe, stretching its security needs to the farthest reach conceivable, and fending off any potential challenger over the horizon. In a post-hegemonic world, much of the so-called strategic vacuum may not be a “vacuum” at all. As America’s hegemonic presence recedes, it is simply a return to “normalcy” — which is to say the prevailing historical conditions with diminishing influence from American military, political, economic and ideological hegemony.

On the one hand, there remain some serious “real vacuums” across a wide range of global issues as the US retreats. First, there is an urgent need to refurbish the domestic social foundations for sustaining economic openness and multilateralism.12 Meanwhile, the functional demands for global rules and norms have kept expanding in new and ever more complex domains, such as financial accountability, genetic engineering, cyber security, artificial intelligence and crypto currencies. It has also become clear that the LIO must go beyond trade and economics and needs to generate solutions to market failures such as the concentration of monopolistic power in a few rent-seeking high-tech titans and market externalities such as financial crises, climate change, global pandemics, enduring pockets of poverty, and the over-exploitation of outer space and maritime resources.

Chu Yun-han is Distinguished Research Fellow at Institute of Political Science of Academia Sinica and Professor of Political Science, National Taiwan University.