Article

China's Leadership in Global Economic Governance and the Creation of the Asian Infrastructure Investment Bank

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Abstract

Are we witnessing a restructuring of the global economic order, akin to the period immediately after World War Two; or is China's leadership in global economic governance ancillary – even complimentary – to the existing order? To assess how China's role in global economic governance has transformed, we examine China's engagement with the World Bank (WB) and Asian Development Bank (AsDB). We analyze how the governance systems of these legacy intergovernmental organizations (IOs) have adjusted to the rise of China. We then turn to an inspection of China's leadership within the Asian Infrastructure Investment Bank (AIIB) to determine whether it parallels or diverges from governance arrangements in legacy IOs. Our findings indicate that the AsDB and WB have failed to adjust to suitably account for the increased influence of China. Our conclusion suggests the creation of the AIIB was the result of frustration with the glacial pace of governance change in American-dominated global institutions. At the same time, we conclude the AIIB should not be seen as a direct challenge to legacy IOs and American dominance of global economic governance. We expect the continued widespread dissatisfaction of China and other rising powers within the American global order unless legacy IOs undertake significant adjustments to their internal governance mechanisms.

Keywords

China, Asian Infastructure Investment Bank, World Bank, Asian Development Bank, voting shares, development practices

The rapid ascent of China and other rising powers in the world political economy has raised numerous questions of world order. Much of the scholarly attention has concentrated on the implications for military rivalry in East Asia and beyond. Scholars have applied theories of power transition, hegemonic transition, long cycle theory, and other frameworks to grapple with the theoretical and practical implications of the rise of China, and to a lesser extent, other emerging powers (Stephen 2014; Ikenberry 2005; Rapkin & Thompson 2003). Much of this literature concentrates on rising powers vis-à-vis an American dominated global order. Part of this American, or for some "Western," order is reflected in the design and operation of global institutions, such as the G20 and formal intergovernmental organizations (IOs) like the International Monetary Fund (IMF). Attention has turned to the implications of systemic change for global governance given the variations in power capabilities of rising and established powers as well as divergent norms and ideas about how to organize collective actions to address common problems.

The creation of the Asian Infrastructure Investment Bank (AIIB) under China's leadership has suggested to some that American-led and dominated IOs are under pressure to change, lest they be supplanted by new IOs where the United States has only oblique influence at best. Notably, the question of whether or not China can provide leadership in global governance has been largely answered by the quick action of many governments to join the AIIB, even when lobbied by the United States to not join (Perlez 2014). One theme in much of the literature on rising powers and global governance is their dissatisfaction with legacy IOs such as the IMF. This is more than just a question of whether or not an IO's institutional design provides adequate voice to major shareholders. There are also ideational differences over how to address global structural problems such as fostering economic development in underdeveloped areas. As more information about the lending practices of the AIIB becomes known, comparing its development practices to the World Bank (WB) and the Asian Development Bank (AsDB) will allow us to assess deviations, if any, in practices between the upstart AIIB and these legacy IOs.

In this article we examine China's motivations for leadership in global economic governance and its incentives to create new IOs such as the AIIB. We do so by briefly reviewing China's increased leadership in global economic governance. We then examine the changes to internal governance of two legacy IOs: the AsDB and the WB. China has been increasingly active in promoting its voice within the AsDB and WB, more so than in other MDBs. We find that even though both of these development banks have undergone institutional adjustments over the past decade, in part to give more voice to developing countries, these adjustments have not done enough to surmount China's frustration with the dominance of legacy

IOs by the United States, Japan, and European governments. We then turn to a detailed examination of the AIIB to identify how China's dissatisfaction with the AsDB and WB contributed to the creation of the AIIB. In our conclusion we suggest that while it is too early to know if the lending practices of the AIIB will contest or compliment legacy IOs, the AsDB, WB, and other development banks need to do more to accommodate rising powers.

China's Leadership in Global Economic Governance

Concerns over the voice of developing countries and criticisms of IO policies are not new. There has been a great deal of attention to questions of reforming the IMF and WB (Rapkin & Strand 2006). One focus of the reform debate has been to increase the voice of developing countries (Woods 2006; Rapkin & Strand 2005). Recently, the WB implemented its largest set of reforms to its internal governance in decades (Strand & Retzl 2016). The Bank's "voice reforms" include a variety of changes meant to improve its internal governance, including adjusting voting weights for developing countries (World Bank 2010). The increase in voting shares, however, has not significantly increased the share of votes held by developing countries (Strand & Retzl 2016; Reisen 2015; Vestergaard & Wade 2013). In short, despite recent institutional adjustments in the WB, the influence of China, Brazil, and other rising powers remains small compared to that of the United States, Japan, and (collectively) European Union (EU) members.

One source of dissatisfaction by China in the multilateral development banks (MDBs) may come from the lack of universal support by the United States for loans and other projects being voted on for approval. As Strand and Zappile (2015) document, the United States supported only about half of AsDB projects for China between 2004 and 2011 and only 40 percent of China's projects in the WB during the same period. The concept of distributive justice is another important motivation for China's leaders as they seek influence in IOs. From this perspective, China stands poised to represent the interests, both economic and political, of the Global South. From this perspective China offers the developing world a voice in global economic governance that has not been perceived as operating equitably for developing states (Vieira 2012). For some, China's efforts to increase its influence in global economic governance represent a continuation of ideas behind efforts to provide poorer economies more agenda-setting and policy influence. Indeed, the case of China exemplifies the trend of rising powers seeking greater levels of participation in IOs. Since the early 1970s China's degree of participation within IOs increased. For instance, China traditionally played a reluctant leadership role in the United Nations, however, over the past decade trends point toward China becoming a more assertive member of IOs (Abdenur 2014 p. 94-95). This is not to say that China is seeking an immediate takeover of the extant global economic order. Rather, material changes in the world economy over the past few decades suggest rising powers like China will seek greater status and power in global economic governance, including in development financing.

If China does not seek the wholesale overthrow of the current order of global governance, what are its motivations for seeking increasing influence in legacy IOs? Is China driven mainly by ideational factors or are material factors motivating its push for more influence? Many scholars have observed that China uses its foreign policy efforts to bolster state legitimacy in its domestic domain as well as trying to influence norm-setting in international development policy (Abdenur 2014 p. 86). China, however, faces a dilemma: should it continue seeking more influence in extant IOs or create competing IOs? Very likely China will pursue both strategies: push for more influence and when stymied, create new forums for global governance. In other words, if the status quo in the IMF, MDBs, and other institutional settings remains, China may seek to by-pass legacy IOs. Looming large is the question of whether new IOs will compliment or compete with existing global institutions. In the next section we examine how the lack of governance change within legacy IOs may have frustrated China as it seeks a larger role in global economic governance. By legacy global institutions, we refer to the WB, IMF, and the major regional development banks (RDBs) – all created within a Cold War context by Western powers and with little concern for Chinese foreign policy interests.

China's Frustration with Legacy Global Economic Institutions

In this section we examine changes to the internal governance of the WB and AsDB to trace institutional adjustments to changing global economic influence of major powers. These two global economic institutions utilize weighted voting systems that ostensibly base voting shares primarily on a member's relative weight in the world economy. Over the past decade, each institution has undergone increases in capitalization and subsequent adjustments to members' votes and voting shares.

In Table 1, we display total number of votes, voting shares, and change in total votes and voting shares for select member governments in the WB in 2005 and 2015. The WB implemented several high profile changes to its internal governance during this time period. We first note that the share of votes cumulatively held by members not listed here decreased by almost two percent. China's total votes increased from 45,049 to 107,249 which in absolute terms appears to be a dramatic upsurge. India, by comparison, only saw its total votes increase from 45,045 to 67,695. The largest percentage increase in total votes of those listed was experienced by Turkey whose vote total in 2015 is three-times that of 2005. It is the share of votes, however, that reveals the change in the relative position of WB members. During the Bank's lifetime the U.S. has held the largest percentage of votes and enough votes to hold a de facto veto over items requiring the Bank's highest qualified majority to pass. Over the period presented in Table 1, the share of votes held by the U.S. decreased very slightly. Japan, which became the second highest shareholder in the 1990s, also experienced a slight decrease in its voting share. China's voting share increased to 4.83 percent from 2.78 percent, ranking the PRC as the third largest shareholder. In 2005 its position was about on par with Russia but with the recent voice reforms, voting share shifted to China. What stands out in the 2015 voting shares is that while China's national product has surpassed that of Germany, Japan, the UK, and France (in purchasing power parity terms), its voting share in the WB does not fully capture this systemic change.

Table 1: World Bank Votes and Voting Shares, 2005 & 2015

Country	2005 Votes	2005 Voting Shares (%)	2015 Votes	2015 Voting Share (%)	Change in Votes	Change in Shares
China	45,049	2.78	107,249	4.83	62,200	2.05
U.S	265,219	16.39	358,503	16.16	93,284	-0.23
Japan	127,250	7.86	166,099	7.49	38,849	-0.37
Germany	72,649	4.49	97,229	4.38	24,580	-0.11
France	69,647	4.30	87,246	3.93	17,599	-0.37
UK	69,647	4.30	87,246	3.93	17,599	-0.37
Australia	24,714	1.53	30,915	1.39	6,201	-0.14
Russia	45,045	2.78	62,808	2.83	17,763	0.05
Saudi Arabia	45,045	2.78	67,160	3.03	22,115	0.25
India	45,045	2.78	67,695	3.05	22,650	0.27
Brazil	33,537	2.07	42,618	1.92	9,081	-0.15
Korea	16,067	0.99	36,596	1.65	20,529	0.66
South Africa	13,712	0.85	17,734	0.80	4,022	-0.05
Turkey	8,578	0.53	26,298	1.19	17,720	0.66
Nigeria	12,905	0.80	13,429	0.61	524	-0.19
All Others	724,552	44.77	950,063	42.81		

Source: World Bank Annual Reports, 2005 & 2015 (authors' calculations)

In Table 2 we display the same information for the AsDB. China joined AsDB in 1986 with just over a 6.0 percent share of votes. Unlike in the WB (and IMF and UN) China's membership in the AsDB was not predicated on supplanting Taiwan and the two governments are both full members of the Bank (Hong Kong also has its own representation). A capital increase in the AsDB was implemented over the 2009-2010 period. Most members experienced roughly a threefold increase to their total votes. China, for example, saw its votes increase from 241,709 to 723,564 while India's votes increased from 237,242 to over 710,000. Prima facie, these values appear to reflect significant increases in the voices of these two rising powers in the AsDB. The relative effect of the capital increase, however, was minimal. China has a lower share of votes in 2015 (5.45 percent) than it was allocated during the first year of its membership (6.15 percent) and lower than it held in 2005 (5.57 percent). What is notable in the AsDB, therefore, is the stagnate voice of China in terms of its relative voting share. The U.S. and Japan have maintained their stranglehold on voting shares in the AsDB and since 2005 there has been little if any movement in the relative shares held by member governments.

Table 2: AsDB Votes and Voting Shares, 2005 & 2015

Country	2005 Votes	2005 Voting Share (%)	Votes 2015	2015 Voting Share (%)	Change in Votes	Change in Shares
China	241,709	5.57	723,564	5.45	481,855	-0.11
U.S.	565,919	13.04	1,696,194	12.79	1,130,275	-0.25
Japan	565,919	13.04	1,696,194	12.79	1,130,275	-0.25
Germany	166,777	3.84	498,768	3.76	331,991	-0.08
France	96,065	2.21	286,632	2.16	190,567	-0.05
UK	85,971	1.98	256,350	1.93	170,379	-0.05
Australia	218,449	5.03	653,784	4.93	435,335	-0.10
Indonesia	206,409	4.76	617,664	4.66	411,255	-0.10
India	237,719	5.48	711,594	5.36	473,875	-0.11
Korea	191,955	4.42	574,302	4.33	382,347	-0.09
All Others	1,763,279	40.63	5,550,556	41.84		

Source: AsDB Annual Reports, 2005 & 2015 (authors' calculations)

Overall, when considering the relative share of votes in the AsDB and WB it is clear that over the past decade or so there has been insufficient adjustment in the relative influence of China in the AsDB. In the WB the institutional adjustments that have occurred are not enough to echo the increasing importance of China within the global economy. Recall, that this is despite the fact that these MDBs take into account relative size of a member's economy when determining relative shares. Even with the rapid economic growth of China and its diplomatic efforts to increase its role in global economic governance, legacy IOs have not adjusted voting shares despite the changing reality of power relations in the world political economy. Indeed, as Xiao (2016 p. 436) stresses, "China's push for a regional institution [AIIB] within which it would be dominant or at least have considerable impact was a reflection of Beijing's frustration over the Western, especially

American, dominance of the existing international multilateral bodies."

If voting shares have not led to an increase in China's voice in these IOs, perhaps it has found other pathways to promote its foreign policy interests? Indeed, one area where China has increased support of MDB activities is in collaborative financing agreements and funds for special operations. Use of these alternative facilities as a means of influence reflects China's inability to alter structural aspects of internal governance as special funds allow more direct control and, more importantly, do not factor into the determination of voting shares. In other words, supplying the MDBs with additional resources can be accomplished without upsetting the voting share status quo. In the AsDB China partnered with several Southeast Asian governments, Japan, and Korea to create the Credit Guarantee and Investment Facility in 2010. China was the first developing member in the AsDB to create a special fund when it financed the PRC Regional Cooperation and Poverty Reduction Fund in 2005. Decisions on funding projects are made by China's Ministry of Finance, although several AsDB departments are involved in implementing and assessing the funded projects. In looking at special financing arrangements it is clear that China has made an effort to increase its funding of AsDB activities outside of the normal capitalization process. Whether this is in reaction to the lack of accommodation is difficult to conclude, especially since some of these efforts are very recent. Nevertheless, there is indication of increased involvement in special financing activities.

China's Neoteric Vision and Leadership in the AIIB

Based on the lack of significant change in China's influence in the MDBs, as evidenced in the prior section, the question of what is China's goal in creating new global institutions looms large. In this section we focus on China's leadership in the AIIB and argue that it reflects the influence and ideology of a rising state that is dissatisfied with the status quo of the global economic order. As Lanteigne (2005) maintains, China's path to becoming a global power is focused on participation in legacy IOs as it seeks to gain status in the international system. Similarly, Zhao (2010 p. 70) argues China prefers a soft power approach to counter U.S. hegemony, utilizing diplomacy and participation in international institutions. From this point of view, China is not attempting to overthrow the current global order, but rather it seeks to utilize international institutions to enhance its sovereignty and consolidate legitimacy in the domestic domain. Additionally, Zhao (2010) views this as a continuation of China' soft balancing approach to bipolar dynamics of U.S. and USSR material and ideological conflicts during the Cold War era.

Since the early 2000s, China has transitioned from a net aid recipient to a burgeoning bilateral and multilateral aid donor (Chin 2012). Many observers note that some recipients of Chinese aid include states rejected for aid by the U.S., Japan, and European donors such as Iran, Cuba, and Burma. As part of its efforts to become a major aid donor, China also increased its contributions to and engagement with legacy IOs such as the WB. China's multilateral aid efforts included the bombshell announcement of the AIIB, which left the U.S. scrambling in its attempts to convince other Western donors to not join.

Despite U.S. efforts, in early 2016 the AIIB opened for business in Beijing with an initial capitalization of $100 billion (Mishra 2016). In reviewing the official rationale for the AIIB, it is clear that traditional development practices and norms found in the context of the legacy IOs are incorporated into its mandate. Article 1, Section 1 of the AIIB's Articles of Agreement assert it is designed to "promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral and bilateral development institutions" (AIIB 2016). In the AIIB's Operating Principles (Article 13) the language used does not conflict with the development practices of the AsDB and WB. For instance, Article 13 states the AIIB "shall be guided by sound banking principles in its operations… [and that the] Bank shall seek to maintain reasonable diversification in its investments in equity capital" (AIIB 2016 p. 9). Elsewhere in the Articles of Agreement, the AIIB asserts that it will develop policies to address concerns such as the ability of a borrower to repay loans and procedures to ensure environmental and social effects of lending projects are properly assessed for safety and soundness. While much concern has been raised regarding China's bilateral aid policy's haphazard environmental, financial, and social principles, the AIIB's Articles of Agreement suggests this multilateral aid institution will not deviate from practices and norms found elsewhere in global economic governance. Put differently, the AIIB's Articles of Agreement reads as if it was written by the WB or AsDB. As a record of AIIB lending projects is collected, we will know in time whether or not the norms and practices enunciated in the Articles are implemented in practice.

Some observers claim the AIIB's ideational foundation is embedded with the Chinese ideology that Asian governments should be solely responsible for the important decisions that will influence the region. Furthermore, as Callaghan & Hubbard (2016 p. 117) explain "The AIIB is an important vehicle for delivering Xi Jinping's signature foreign economic policy—the 'Silk Road economic belt' and the '21st century maritime Silk Road' (one belt, one road) initiatives." According to Mishra (2016), the creation of the AIIB is an indication that China is prepared to contest the established global order including the norms and practices of legacy IOs. During 2013 while promoting the creation of the AIIB, President Xi Jinping articulated to other developing countries China's willingness to support lending and aid absent the conventional political conditions of legacy

IOs and Western aid donors (Harpaz 2016 p. 125). Moreover, "finance minister Lou Jiwei said that the AIIB would help global economic recovery, boost infrastructure construction in Asia and help China's economic development" (Paradise 2016 p. 157). In short, the AIIB is incorporated into China's overall vision for its place in global economic governance.

The AIIB's Articles of Agreement was drafted by dozens of governments but even though other governments were intimately involved, China, as the primary funder and leader, had the greatest say in the institutional rules and legal framework. Some may view China's motivation for fostering the creation of the AIIB is a consequence of the Western-dominated legacy IOs' failure to adjust the voice of China and other rising powers (Chin 2016; Strand & Trevathan 2016). Indeed, our review of changes to voting shares in the legacy IOs substantiates the assertion they have not given China the voice it deserves. The willingness of many European countries to join the AIIB may also be an indication that the American political order is being challenged. Even the United Kingdom defied U.S. objections by becoming the first G7 government to join the AIIB (Perlez 2015). Other American allies, including Germany, France, and Italy followed, against the wishes of the U.S. and for some observers this calls into question the centrality of legacy IOs (Strand and Trevathan 2016 p. 138-139; Higgins & Sanger 2015). America's closest ally in Asia, Japan, however, has not joined and has voiced apprehension that the AIIB is a potential competitor to the WB and AsDB (Fackler 2015). There has been uneasiness by some that the AIIB will operate diametrically opposed to prevailing neoliberal principles regarding economic openness and market orientated policies. From this view, China's establishment of the AIIB is a potential challenge to the norms and practices of legacy IOs like the WB. Despite these concerns, the institutional framework of the AIIB looks like a typical traditional IO except, of course, that the United States and Japan are not members.

Parallels to legacy IOs are also revealed in respect to the AIIB's internal governance; for example voting rights are central to decision-making and reflect the relative importance and voice of member governments. Each member receives a voting share based on its relative capital contribution. Determination of a government's contribution is derived from assessing the size of its national product. All AIIB members also receive basic votes. Basic votes are used in most other MDBs as a way to avoid the optics of the corporate shareholder model of voting. Currently, 12 percent of all AIIB votes are allocated on an equiproportional basis as basic votes. An aspect of AIIB voting rules that is not found in other IOs is the assignment of 600 additional votes to founding members (Callaghan & Hubbard 2016 p. 129). As widely reported, the size of China's initial capital subscription resulted in the assignment of enough votes for China to hold a de facto veto with just over 26 percent of all votes. According to Mishra (2016 p. 4) "As of now, AIIB seemingly mirrors an 'Asian face', with China at the 'driver's seat.' This is clearly manifested with the 'power of the purse' as three-fourths of the total capital would come from Asia." On the most important types of decisions, the AIIB employs a double-majority rule requiring two-thirds of member governments holding three-fourths of all votes to pass a resolution. In sum, the AIIB's voting procedures are not incongruous with those of the AsDB and WB.

Other notable vote holders include India, which is the second largest shareholder with a 7.5 percent voting share. Russia is the third largest shareholder at 5.9 percent and South Korea fourth with 3.5 percent votes. In sum, the AIIB's weighted voting system is modeled after legacy MDBs with the exception of the bonus votes assigned to founding members (Callaghan & Hubbard 2016). Based on its internal governance alone, it is difficult to conclude the AIIB diverges from the institutional design of legacy IOs. The primary difference rests on which governments are members and variation in their influence over formal and informal decision-making.

Consider that like other RDBs, membership in the AIIB is not limited to governments from Asia; however, like most other RDBs the AIIB's institutional design provide additional roles (and influence) for regional members. For instance, nine of the 12 seats on the Board of Directors are held by regional members (Callaghan & Hubbard 2016 p. 129). Also paralleling other RDBs, members are bifurcated into regional and non-regional categories. Non-regional governments played a role in the establishment of the AIIB by their participation in the various meetings leading to its creations. In fact, 17 of the 57 founding members are European (Nicolas 2016 p. 10). As of July 2016, regional members held just under 80 percent of all votes and non-regional members held about 20 percent. In large part due to the fact the United States is not a member, some might conclude the share of votes is skewed in the favor of regional members. The AIIB, however, is not unique in favoring regional members. In the Inter-American Development Bank, for instance, non-regional members are limited to only 16 percent of all votes. As voting shares are supposed to be correlated to member's share of capital subscription based on GDP, it appears the AIIB has a gray area for determining voting shares as voting percentages do not mirror global shares of GDP. Observers could question if this ambiguity is a form of informal governance impacting future decision-making procedures. As others have observed in the context of legacy IOs, there is often an informal political margin within which voting shares are manipulated in order to achieve a distributive, political objective (Rapkin & Strand 2003). Only time will tell whether the AIIB continues to have a framework that allows for informal practices that meet more powerful member's preferred political outcomes.

Many policy-makers and scholars have suggested that Chinese foreign economic policy is challenging the American dominated global status quo in the area of development financing (Harpaz 2016 p. 126). Thus, while the AIIB's Articles of Agreement emphasizes collaboration and cooperation with legacy IOs there are tangible and in some cases hyperbolic concerns about whether or not the AIIB was created as an alternative to the AsDB and WB promoting a revisionist strategy to challenge the global economic governance dominated by the West (Mishra 2016; Nicolas 2016). We suggest there is not enough evidence to definitively conclude whether the AIIB is a supporter or competitor to the development practices and norms of legacy IOs. Yet one conclusion is clear, the creation of the AIIB raises many central questions about the future of the legacy IOs and of the Western domination of global economic governance (Stephen 2014).

Conclusion

This article has identified one impediment to China's efforts to exert more influence in global economic governance. Namely, the internal governance systems of the AsDB and WB have not changed to mirror the new global position of China even though the MDBs' voting systems have undergone adjustments over the past decade. Previous research has found little evidence that other MDBs have accommodated rising powers (Strand & Trevathan 2016). China and other rising powers may seek influence outside of traditional lending windows in the MDBs through the creation of special financing arrangements, yet contributions to special funds are not considered in the determination of votes. If China and other rising powers continue to face limits on increasing their contributions (and influence) through regular processes, we expect these governments to continue to create special funds in the MDBs.

Future studies should look more closely at special funds as many of them are quite new and it is difficult to fully assess if they reflect the growing influence of rising powers. More importantly, China's voice in the AsDB and WB has not afforded it the influence it deserves based on its increased material capabilities and ideational leadership in world politics. Failure by legacy IOs to adjust their internal rules to rising powers may well lead to the creation of additional global and regional institutions that will enable rising powers to overcome their political frustration with the status quo. Frustration over internal governance of the MDBs may be just one source of dissatisfaction for China. As mentioned above, projects in the WB and AsDB for China have not been supported regularly by the U.S. Thus, the inadequacy of legacy IOs' institutional adjustments, coupled with mixed American support for projects for China (and others) may lead to further dissatisfaction of rising powers within the MDBs.

We can conclude that despite the conspicuous changes to the world political economy, the MDBs remain dependent on traditional capital sources and reward members such as the U.S., Japan, and those from Europe with greater influence. Especially in the WB, we expect the policy preferences of the U.S. and other OECD countries to remain dominant. The MDBs are likely to continue to reflect neoliberal economic policies favored by the United States, global capital, and the prevailing ideas associated with longstanding lending policies. We claim that a partial consequence of not accommodating rising powers in the MDBs is the move by China and other BRICS members to create new multilateral development organizations. Based on the lack of significant accommodation of rising powers, especially China, in the MDBs, we expect challenges to the status quo to continue. Rising powers will continue to press for more adjustment within existing IOs while pursuing alternative governance arrangements through the creation of new formal and informal institutions. A major policy and theoretical concern in need of further exploration is why, given the increases in the material wealth of rising powers, are we not seeing substantial changes in legacy IOs? To the extent that IOs are not accommodating China may signify a looming challenge to their legitimacy, at least in the eyes of this increasingly important global power. Given the rapid deployment of the AIIB by the China (and the New Development Bank by the BRICS), the landscape of global economic governance is on the cusp of systemic restructuring with rising powers assuming a greater leadership role in the management of old and new global institutions. It remains to be seen if the AIIB will complement or compete the WB and AsDB over development practices and global development norms. The AIIB, in sum, reflects the status seeking aspirations of a rising power while simultaneously having an institutional design and ideational purpose which fits into the traditional policy demesne of the legacy IOs.

Bio

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