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# Thinking Inside the Box: China and Global/ Regional Governance

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## Abstract

This article offers a critical discussion of the relationships between China and global and regional governance in the context of global flux. After examining the origins of and power relations inherent in concepts of global order/governance, the article argues that China's impact on and approach to global governance reflects thinking inside the 'box' of a global capitalist modernity, within which China seeks to shift the locus of power. There are similarities at the regional level, where China's ability to shape governance is constrained by a number of factors. In spite of the discourse of rising powers, China's engagement with Euro-American concepts of global order/governance demonstrates their continued dominance.

## Keywords

China, global / regional governance, international order, globalisation, global modernity

## Introduction

In the context of rapid and dislocating global change, gauging China's impact on and approach towards global affairs has become a question of increasing importance. This is all the more so as the rise of China is often singled out as one of – if not the – most significant causes of change, at least in the regions around China. This essay engages with this question through a critical discussion of the relationships between China and what have become known as global and regional governance.

The debates cut across disciplines. Scholars of International Relations (IR) tend to pose the question with reference to global order or the international system/society, asking whether China should be considered a revisionist or 'status quo' power, or somewhere in between (Swaine 2016; Zhang Yongjin 2016), and applying this framework across traditional security issues and newer global challenges such as climate change. In terms of economics, aside from the empirical (and

political) discussions over the global implications of China's development since the 1980s, the focus is on global economic governance, in particular the Chinese state's approach to institutions such as the World Bank, International Monetary Fund and World Trade Organization, and the impact of China's encouragement or instigation of new bodies, from the Asian Infrastructure Development Bank (AIIB) to the BRICS New Development Bank (Nicolas 2016).

Views on China's impact on global affairs and the reasons for it are highly contested, and we will return to the contours of the debate below. First, though, this article takes a more critical look at the global context and the concepts of global order and global governance which inform these debates.

### **Global trends and order/governance**

Much of the debates about China's impact on global affairs implicitly sets up fixed conceptions of global order or global governance, visible in phrases such as the 'post-war order', the 'liberal international order', or terms such as 'existing institutions' or 'rules-based order'. But I contend that the point of departure for inquiry is one of global flux in a messy and complex world, which Richard Haas (2014) has called 'disordered'. While analytical contestation over the nature of global change abounds, from multiple perspectives there are good reasons for seeing the end of the Cold War in the early 1990s as marking a new phase in global political and economic dynamics. For those inspired by world systems theory, for example, it marked the further spread of global capitalism into areas of the world which previously resisted this through advocacy of some form of socialism or nationalism. Others see it as the point when the liberal international order (American-led or otherwise) took a further step in its supposed process of global spread (Ikenberry 2011). In terms of inter-state relations and regional institutions in east Asia, it marked a new phase of negotiation over the contours of a regional order which had been somewhat fixed in Cold War aspic over the preceding decades (Goh 2013). The early 1990s marked, in short, the beginning of an intensified phase of capitalist globalization, intertwined with a Western-dominated global political order.

It is no coincidence that the term 'global governance' came to prominence at around the same time as this global capitalist modernity (Dirlik 2007). The launch of the International Commission on Global Governance in 1992 set out to address the question of 'how to govern the complexity of the post-Cold War world', especially through the development of institutions (Mani 2015, 1237; see also Hurrell 2006, 6). It was suggested that global governance might stretch beyond the structures of traditional inter-state relations to the development of 'governance without [state] government' (Rosenau and Czempiel, cited in Weiss 2015, 1221), or that globalization would – or could – marginalize the state in

various ways (Ohmae 1995).

If global governance and globalization are entwined as two ‘meta-phenomena of the past two decades’ (Weiss 2015, 1221), there has been a tendency to view both phenomena in rather depoliticized technocratic terms. Achieving global governance through devising the best institutional structures and policy responses to manage the global economy into a more efficient and therefore more effective mode is what Weiss cites as ‘technical or supposedly non-political and hence non-controversial measures to address concrete problems’ (2015, 1222). But, as much of the literature on globalization makes clear, globalization is far from neutral, both as phenomena and discourse. Indeed, when working out how to deal with globalization in the 1990s, Chinese policy makers grappled with this problem, including by asking if it was controlled by the US (Knight 2008, 6-12). Likewise, hierarchy and power are features of global governance, which David Lake defines as a ‘set of authority relationships’ (cited in Zhang Yongjin 2016, 810). This is not just about a more prominent role for ‘great powers’ in delivering global governance, as might be implied in IR by both hegemonic stability theory (Gilpin 1981) and Ikenberry’s ‘liberal leviathan’ (2011), but requires us to ask how the discourse and practice of global governance might be instrumentalised by those with the power and influence to frame global norms and institutions, pace advocates of an idealized ‘rules-based order’.

Post-Cold War global change has been profound. We have seen the ‘exponential increase in the number of international institutions and in the scope, range and intrusiveness of international rules and norms’ (Hurrell 2006, 3). Initiatives such as ‘responsibility to protect’ (R2P) were put forward by Euro-Americans in response to brutal violence within states, but met with suspicion by others – including China (Swaine 2016) – who saw them as a means of intervening in order to pursue national interests. The decision by Bush and Blair to go to war in Iraq in 2003 fed these concerns, and has unsettled the Middle East and the global order in numerous other ways. From the perspective of political economy, the global financial and economic crisis which began in Euro-America in 2008 not only set off a chain reaction many of whose economic effects are still being felt around the globe, but undercut notions of Western superiority on which much discourse of global governance had been based. All of this has revealed Euro-American revisionist impulses, not the ‘status quo’ approach claims of diplomatic rhetoric.

Rather than fixed conceptions, therefore, global governance and global order (assuming we retain the concepts) are moving targets, infused with the power relations of the post-Cold War world. Coming back to the impact of China, the question to be addressed is therefore not whether we are ‘heading for a new global economic order dominated by China’ (Nicolas 2016, 7), but the future of global order/governance under conditions of global change which include the rise of

China, but are not limited to it.

### **China and global governance**

The early 1990s also marked a watershed in China's approach to global affairs, from its active efforts to incorporate into a global capitalist economy, symbolized by Deng Xiaoping's 'southern tour' of 1992 and euphemized as 'socialist market economy' (Meisner 1999, 516-521), to elite debates about how best to respond to globalization, which resulted in the conclusion that it was a positive phenomenon for China, albeit one that needed managing (Knight 2008).

China was not an instigator of R2P, the Iraq war, or the economic crisis. But it was partly the crisis which pushed China forward to a more prominent role in global affairs. Most of its economy appeared relatively immune, and with resilient public finances, the Chinese government was under international and domestic pressure to engage in a massive credit stimulus, the hangover from which is still being felt in China today. As Reich and Lebow have argued (2014, 123-125), China's behavior during the crisis was motivated by a desire to support the global economic system, including by investments designed to prop up a 'bastion of global capitalism' such as Morgan Stanley. Advocacy of (qualified) openness in the global economy has continued as Chinese outward investment has grown, and I have argued elsewhere that China's recent 'belt and road' initiative – to build connectivity from China across Eurasian land and sea routes – is more about reproduction of the structures of global capitalism than their revision (Summers 2016). It is also worth noting that in the context of advocating 'openness' the Chinese Party-state explicitly uses the term 'global economic governance' (quanqiu jingji zhili), for example in statements in its 13th five-year programme for social and economic development that the government will seek 'actively to participate in global economic governance', including through protecting the leading role of the multilateral trade system and strengthening regional and bilateral free trade mechanisms (Xinhua 2016a, section 11).

The recentring of the global economy in Asia, a feature of the current phase of global capitalism (Dirlik 2014), has created the space for Chinese policy moves to shift the power relations within the structures and institutions of global capitalism towards China (and Asia more broadly). The hosting of the G20 by emerging economies, including by China this September, is symbolic of their enhanced global influence when compared to pre-crisis dominance of the G7/8. The extent of this shift remains highly contested, however. In terms of the G20 agenda, as a scholar at one Chinese think tank puts it, 'Real power in global governance requires intellectual input into the international financial and economic agenda, policies and rules ... China lags behind in the exercise of institutional soft power in this theatre. The major substantial outcomes of the G20 to date ... have been

mostly led by the Atlantic countries' (Ye 2016). And as Peter Nolan (2012) has shown, the 'commanding heights' of the global economy remain predominantly in Euro-American-Japanese corporate hands, even if Chinese companies such as telecoms giant Huawei may have begun to make inroads in particular sectors.

The complexities of Chinese positioning have been captured well by Yongjin Zhang (2016) in discussion of more IR-focused questions of global order. Using English School concepts of pluralism and solidarism<sup>1</sup>, Zhang identifies three approaches from Beijing in response to different global shifts: first, to reinforce the pluralism of the UN system of sovereign states and the principle of non-interference set out in the UN Charter (see also Foot 2014); second, to challenge and resist the solidarist trends of liberal international relations which increase conditionality or grounds for intervention; and third, to take a more solidarist, but still state-centric, approach to other issues of global governance.

It is in terms of institutions of global economic governance where what we might call the 'new geopolitics of global capitalism' (cited in Oakes 2000, 668) is most apparent. The launch of the Beijing-instigated AIIB is at the forefront of analyses which characterize China's approach as more proactively reformist or even revisionist. However, the early *modus operandi* of the AIIB looks to be borrowing more from earlier international financial institutions than setting off on new paths (Financial Times 2016; Xinhua 2016b). And the much-discussed redistribution of voting rights at the IMF, agreed in 2010 but yet to be ratified by the US, still leaves China with a smaller share than Japan even though its economy is more than twice the size (US dollar, market exchange rates). Rather than China emerging as the 'big winner' of this process in the IMF (Nicolas 2016, 9), it seems that China's ability to adjust its weight in long-standing institutions of global economic governance remains constrained.

Along with a deep-seated post-colonial desire for status and recognition (Miller 2013), this might help explain the continued undercurrent of dissatisfaction in much Chinese commentary on global governance. How, though, do these issues look from a regional perspective in Asia?

### **Regional perspectives and the US 'rebalance'**

The 1990s again marked major shifts in what we might call regional governance, in particular the development of numerous institutions across East Asia, many based on ASEAN 'centrality' (Severino 2012). China has engaged with these,

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<sup>1</sup> Pluralism represents 'the communitarian disposition towards a state-centric mode of association in which sovereignty and nonintervention serve to contain and sustain cultural and political diversity', while solidarism represents 'the disposition either to transcend the states-system with some other mode of association or to develop it beyond a logic of coexistence to one of cooperation on shared projects' (Buzan 2014: 16).

partly to reassure neighbours. To its west, Beijing promoted the Shanghai Cooperation Organization (SCO), which has become the most prominent institution across central Asia (Wang 2007), though not the only one. The US has been less enthusiastic about regionalism among Asian countries, preferring institutions such as APEC which stretch across the Pacific. It has also maintained its 'hub and spoke' security alliances, established in the 1950s (Cha 2009).

These alliances have not only survived the end of the Cold War, but been reinvigorated under the Obama administration's rebalance to Asia, first signaled in 2009 when the US signed ASEAN's Treaty of Amity and Cooperation. The security aspects of the rebalance have been driven by fears about the implications of China's rise for US regional dominance, fears which recent Chinese actions in the South China Sea have done nothing to assuage. Its strategic economic dimension is US promotion of the Trans-Pacific Partnership which – if it does not fade in the heat of American politics – could be the first significant post-Cold War regional institution in Asia with which China has not been able to engage directly.

The 'rebalance' has therefore interrupted China's regional strategy. One element in Beijing's response (Ruan 2014) has been a further increase in the relative importance attached to regional diplomacy within the broader context of China's foreign policy, promoted as the desire to build a 'community of common destiny'. This was the message of the PRC's first high-level work conference on neighbourhood diplomacy, held in November 2013 (Swaine 2014). There has long been a tension in Chinese regional conceptualizations between *zhoubian* (neighbourhood or periphery) – which reflects a sense that China's security depends on its crowded periphery (Nathan and Scobell 2012) – and its acceptance of regional constructs – east Asia, southeast Asia, central Asia – which are Euro-American in origin and have structured regional political and economic issues for decades, both analytically and in the development of regional institutions. But the recent prominence of *zhoubian* diplomacy hints at a new privileging of regional structures which take the neighbourhood as a 'single region' (Zhang Yunling 2016, 839), alongside a relative shift in emphasis towards China's west (Wang 2013).

The idea that China might take its periphery as an 'organic whole' (Zhao 2016) has been cited as one factor informing another new element of regional policy, the 'belt and road initiative' stretching across most of China's greater neighbourhood (other than Japan). With its focus on connectivity across policy, infrastructure development, trade and investment, finance, and 'people-to-people' ties, the initiative pilots a Chinese approach to regional governance. However, both the belt and road and the wider emphasis on the region have run up against the consequences of another area of development in China's regional policy since the early 2010s, a more robust and assertive approach to defending and gradually implementing its long-standing claims in the South China Sea in the context of a strategic desire

to develop as a 'maritime power'. This has fed the desire from China's neighbours for a strong US role in the region, further cementing not eroding US hegemony (Goh 2013).

## **Conclusion**

Whether it is the TPP, or the challenges China faces in the South China Sea, along with the cautious and sometimes cynical responses from neighbours to the belt and road initiative, recent events suggest that Beijing's ability to shape regional governance remains constrained, in spite of its economic dominance (China's economy is larger than those of Japan, ASEAN and India combined). A stronger material position does not translate into regional hegemony, especially once factors such as consent and legitimacy are considered (Clark 2013). Similarly, at the global level, the continued capacity of the US and Europe to set the agenda, as well as their normative 'soft' power, reinforces Chinese efforts to work within the 'box' of a global capitalist modernity, even though it seeks to shift the locus of power. Along with China's embrace of the language and concepts of global order and global economic governance, and its characterization of its own position in terms of 'reform' rather than anything more radical, and in spite of the rise of China and a number of other powers, current shifts in global order/governance appear still to be taking place in a world characterized by the structures and ideas of Euro-American hegemony.

## **Bio**

Tim Summers is an Adjunct Assistant Professor at the Centre for China Studies, The Chinese University of Hong Kong, and a (non-resident) Senior Consulting Fellow on the Asia Programme at Chatham House, London. Recent publications include articles on China's new 'silk roads' (Third World Quarterly) and China's maritime disputes (China Information), the Chatham House research paper China's Global Personality (2014) and a book, Yunnan - A Chinese Bridgehead to Asia (Chandos 2013). Tim was a British diplomat for 13 years until 2007. He holds a PhD in Chinese Studies from CUHK.

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