

China and the Liberal International Order: Decreasing Affinity, Seeking Primacy*

MASUDA Masayuki**

Abstract

Hu Jintao came into power after the People's Republic of China (PRC) acceded in December 2001 to the World Trade Organization (WTO). The Hu administration sought to adapt China to the international economic system based on market economy and free trade principles, while increasing the rights and role of developing countries in the existing international system. From the late 2000s, PRC strategists began to discuss the limits of reform within Western-led existing international institutions. On the one hand, the Xi Jinping administration emphasizes the establishment of new international rules and institutions. On the other hand, the administration aspires to strengthen the domestic governance system based on China's own discourse, which runs counter to the principles and values based on the liberal international order, and is engaged in efforts to increase China's global discourse power. The affinity of China's rules and institutions with the economic elements of the liberal international order is decreasing, and Beijing increasingly emphasizes the primacy of its governance system.

Introduction

China's relationship with the international order is not easy to depict, with the top reason being that China and democracies have commonalities and differences in how they conceive an ideal international order. The classic definition of international order may be that of Hedley Bull, who defined it as "a pattern of activity that sustains the elementary or primary goals of the society of states, or international society."¹ According to Bull, an international society exists "when a group of states, conscious of certain common interests and common values, form a society in the sense that they conceive themselves to be bound by a common set of rules in their relations with one another, and share in the working of common institutions."² Thus, to establish an international order, stakeholders and member states must have a shared basic recognition of common interests and common values, and a common system of rules and institutions that support this must be in place.

Looking at East Asia following World War II, the significant involvement of the United

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** Head, Government and Law Division, Security Studies Department, NIDS

¹ Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York: Columbia University Press, 3rd edition, 2002), p. 8.

² *Ibid.*, p. 13.

States—a country with military and economic dominance over other nations—was critical to shaping the regional order. In the security realm, the United States created a “hub-and-spoke” system in East Asia by forming alliances, mainly bilateral. Through this system, countries in the region faced the overwhelming military capabilities of the United States, which had the effect of reining in the ambitious actions of both the communist bloc and allies and contributed to regional stability.³ Additionally, the United States supported the reconstruction and growth of East Asia economically. As a result, a liberal international order was established and permeated in the region.

Beijing did not contest the hub-and-spoke alliance system, at least following the rapprochement between the United States and China in 1972 through the end of the Cold War. Especially after reform and opening-up, China achieved high economic growth through increased participation in the Western-led international economic order. The rise of China was also due to reaping the benefits of the liberal international order.⁴ If Beijing forces fundamental changes in the existing international order, it would undermine China’s foundation as an economic power. From this viewpoint, China and democracies are expected to have a shared interest in maintaining the existing order.

Meanwhile, the East Asian order was in flux after the Cold War. Through the 1996 Japan-U.S. Joint Declaration on Security, the United States made clear that it would maintain military presence in the region, and many regional countries took steps to shape a new order premised on U.S. hegemony.⁵ Furthermore, the United States continued to uphold the policy of engagement with China, aiming to integrate China into the liberal international order. Even then, the formation of the East Asian order remained in flux. There was uncertainty as to what extent Beijing would support a U.S.-led order. Beijing maintained a cooperative relationship with Washington with a view to forging a “strategic partnership,” and joined the World Trade Organization (WTO) in December 2001. At the same time, however, Beijing advocated a new security concept that rejects U.S. alliances as anachronisms.

In sum, Beijing has not accepted all the elements of the liberal international order. A Chinese scholar of international politics, Professor Shiping Tang of Fudan University, contends that the liberal international order is “‘liberal’ only in the open-trading (or economic) sense and not in the political sense,” and that “this order was imposed by victors of World War II and the Cold War.” He underscores that the liberal international order must accommodate “an illiberal rising power such as China, as long as the rising power relies on peaceful means for shaping specific rules within the international order.”⁶ It implies that China does not fully share with democracies the political values of the liberal international order.

This article proceeds as follows. First, it discusses the issues around the debate over China’s perception of international order, and then outlines its foreign policy of “peaceful development” (和

³ Sahashi Ryo, *共存の模索: アメリカと“二つの中国”の冷戦史* [In a Search for Coexistence: the United States and Two Chinas during the Cold War] (Tokyo: Keiso Shobo, 2015).

⁴ John G. Ikenberry, “The Future of the Liberal World Order: Internationalism after America,” *Foreign Affairs*, vol. 90, no. 3 (May/June 2011), pp. 56–68; John G. Ikenberry, “The Rise of China and the Future of the West: Can Liberal System Survive?,” *Foreign Affairs*, vol. 87, no. 1 (January/February 2008), pp. 23–37.

⁵ Evelyn Goh, *The Struggle for Order: Hegemony, Hierarchy, and Transition in Post-Cold World East Asia* (Oxford: Oxford University Press, 2013).

⁶ Shiping Tang, “China and the Future International Order(s),” *Ethics & International Affairs*, vol. 32, no. 1 (Spring 2018), p. 32.

平发展) that sought to draw connections with the liberal international order. Second, it traces the discussions and policy developments in China since its accession to the WTO, which epitomizes the economic element of the liberal international order that China generally views positively. Lastly, this article chronologically examines the interactions between the liberal international order and China and their transformation.

1. China's Perception of the International Order and Its Foreign Policy

(1) Three Schools

Beijing does not describe the post-World War II international order as a “liberal international order.” It is common in China to simply say the “post-war international order,” as explained by Professor Chen Zheng of Shanghai Jiaotong University.⁷ According to a Chinese Foreign Ministry spokesperson, the post-war international order “was jointly established by the international community, with the United Nations (UN) at its core and based on the spirit and principles of the UN Charter.”⁸ China does not accept the characterization that the liberal international order was formed with the United States and other Western nations playing a leading role. “The international order is not something that the United States can define as it wishes,” the spokesperson added.

China's explanation, which rejects the liberal characterization, reveals how it perceives the current situation and (or even more so) what it considers as the ideal international order, reflecting China's view of the international order. However, it is not a uniform view. According to Professor Zhao Kejin of Tsinghua University, there are at least three schools of thought in China related to its approach to the Western-led liberal international order.⁹

The first is the revolutionary school (革命派). This school recognizes that China is a socialist state led by the Chinese Communist Party (CCP), and that the nature of the state determines the irreconcilable contradictions that exist in the existing capitalist state-led international order. Accordingly, the liberal international order is an unfavorable order for China. This school has a tendency to reject the liberal international order and set the goal of China's international strategy as “building a socialist order” through revolutionary means.

The second is the linkage school (接轨派), which is relatively liberal in nature. It argues that the existing international order on the whole is favorable to China and does not need to be overturned. Many international relations experts in Shanghai emphasize this view. They contend that the existing international order must “evolve in a fair and reasonable direction” through reform.¹⁰ Some of the proponents for maintaining the existing international order in principle argue for building a “symbiotic system” (共生型体系) with the Western-centered order, while strengthening the “discourse power” (话语权) of China and other developing nations and emerging

⁷ Chen Zheng, “失衡的自由国际秩序与主权的复归 [The Imbalanced Liberal International Order and the Restoration of Sovereignty],” *Guoji Zhengzhi Kexue* [Quarterly Journal of International Politics], vol. 3, no. 1 (2018), p. 2.

⁸ “中国是现行国际体系和国际秩序的维护者 [China is the Defender of the Current International System and International Order],” *Xinhua*, November 10, 2015.

⁹ Zhao Kejin, “中国的国际秩序观与全球治理的未来 [China's View of the International Order and the Future of Global Governance],” *Xueshu Qianyan* [The Frontiers of Academia], no. 4, 2017, pp. 7–8.

¹⁰ Jiang Xiyuan and Xia Liping, *中国和平崛起* [Peaceful Rise of China] (Beijing: Zhongguo Shehui Kexue Chubanshe [China Social Sciences Press], 2004).

powers.¹¹

The third is the traditionalist school (传统派). They view the rise of China as a rejuvenation of traditional Chinese civilization. This school argues that a rising China can provide the international community with more options than the Western model, not only in material terms, but also with respect to the institutional design, norms, and principles of the international order.

In all three schools, their analyses are steadfastly founded on their respective positions and do not represent the reality of the interrelationship between China and the liberal international order. The revolutionaries' argument based on class struggle asserts that the relationship with the United States and other Western countries as well as contradictions between China and the Western-led international order are ultimately irreconcilable, and largely ignores the cooperative aspect of the interrelationship.¹² By contrast, the linkage school focuses on this cooperative aspect. However, many of its proponents no more than emphasize that a new order should be created by reforming the existing international order, and there is hardly any elaboration of the process by which such a new order will be realized. The traditionalists examine the international thought dating back to ancient China, in an attempt to attain non-Western model revelations for rebuilding the international order.¹³ While all three schools are strongly attuned to the uniqueness of China's view of the order, the scope of their discussions excludes details regarding the shaping of the order and its feasibility.

(2) The Logic and Structure of “Peaceful Development”

As mentioned at the outset, China's high economic growth and its accompanying rise were the outcome of reaping the economic benefits of the liberal international order. The “peaceful rise” (和平崛起) policy that was advocated in the early 2000s focused on this point. Zheng Bijian, who served as vice president of the Central Party School under Hu Jintao and proposed “peaceful rise,” noted: after the 1990s, following the reform and opening-up of China, “The Chinese leadership resolutely laid down the strategic policy of more actively engaging in economic globalization, seeking out advantages while avoiding disadvantages.” He concluded that peaceful rise was China's only

¹¹ Su Changhe, “共生型国际体系的可能 [The Possibility of a Symbiotic International System],” *Shijie Jingji yu Zhengzhi* [World Economics and Politics], no. 9, 2013; Ren Xiao, “论东亚‘共生体系’原理 [On the Principles of the ‘System of Symbiosis’ in East Asia],” *Shijie Jingji yu Zhengzhi* [World Economics and Politics], no. 7, 2013; Cai Liang, “共生性国际体系与中国外交的道、术、势 [The Symbiotic International System and the Path, Means, and Trend of Chinese Diplomacy],” *Guoji Guancha* [International Review], no. 1, 2014; Yuan Shengyu, “共生型国际体系: 理论与挑战 [Symbiotic International System: Theories and Challenges],” *Shehui Kexue* [Social Sciences], no. 6, 2014; Su Changhe, “世界秩序之争中的‘一’与‘和’ [The ‘One’ and ‘Peace’ in the World Order Dispute],” *Shijie Jingji yu Zhengzhi* [World Economics and Politics], no. 1, 2015; Su Changhe, “从关系到共生: 中国大国外交理论的文化和制度阐释 [From Relationship to Symbiosis: Explanation of the Culture and System of China's Great Power Diplomacy Theory],” *Shijie Jingji yu Zhengzhi* [World Economics and Politics], no. 1, 2016; Ren Xiao, 多元共生: 现时代中国外交与国际关系 [Diverse Symbiosis: Contemporary Chinese Foreign Policy and International Relations] (Hangzhou: Zhejiang Daxue Chubanshe [Zhejiang University Press], 2019).

¹² Wang Weiguang, “坚持人民民主专政, 并不输理 [It Is Not Unreasonable to Maintain the People's Democratic Dictatorship],” *Hongqi Wenzhai* [Red Flag Manuscript], no. 18, 2014, pp. 4–8.

¹³ Ye Zicheng and Long Quanlin, 华夏主义: 华夏体系500年的大智慧 [Huaxiaism: Grand Wisdom of the 500-Year Huaxia System] (Beijing: Renmin Chubanshe [People's Press], 2013).

option.¹⁴ This argument, which was put forward around the time of the inauguration of the Hu Jintao administration, was later revised to “peaceful development” (和平发展). Nevertheless, the idea presented by Zheng became one of China’s foreign policies.

In December 2005, the Chinese government released a white paper titled, “China’s Peaceful Development Road.”¹⁵ At the beginning, the white paper sets out four elements embodied in China’s concept of “peaceful development”: (1) striving for a peaceful international environment to develop China and thereby promote world peace; (2) achieving development through its own efforts, reform, and innovation, while firmly maintaining the policy of opening-up; (3) adapting to the trend of economic globalization, and striving to achieve mutually beneficial win-win relationships and joint development with other countries; and (4) firmly maintaining peace, development, and cooperation and, together with other countries, devoting itself to building a harmonious world (和谐世界) marked by sustained peace and common prosperity. The white paper then emphasizes that China was still in the process of development. China “with a large population, a weak economic foundation and unbalanced development, is still the largest developing country in the world.” Accordingly, it declared, “To stick to the road of peaceful development is the inevitable way for China to attain national prosperity and strength, and its people’s happiness.” In addition, the white paper detailed China’s development strategy and stressed that “China will unswervingly carry out the basic state policy of opening up to the outside world.”

In September 2011, the Chinese government released a second white paper on China’s peaceful development.¹⁶ It began with a declaration: “China declared solemnly again to the world that peaceful development is a strategic choice made by China to realize modernization, make itself strong and prosperous, and make more contribution to the progress of human civilization. China will unswervingly follow the path of peaceful development.”¹⁷ Like the 2005 edition, the white paper presents the basic status of China as still being a developing country, describing that its peaceful development “is to promote development and harmony domestically and pursue cooperation and peace internationally.”¹⁸ In regard to foreign policy, the 2011 white paper, overall, made more assertive efforts to demonstrate China’s constructive role in the international community.

In terms of the issues raised in this paper, we should pay attention not only to China’s policy of international cooperation but also to the domestic political context of “peaceful development.” Zheng Bijian stated that China’s peaceful rise meant “following the path of independent and self-reliant development,” i.e., “laying down a path of socialism with Chinese characteristics.”¹⁹ Jiang

¹⁴ Zheng Bijian, “中国和平崛起新道路和亚洲的未来: 在2003年博鳌亚洲论坛的演讲 [A New Path for China’s Peaceful Rise and the Future of Asia: Speech at the Bo’ao Forum for Asia 2003]” (November 3, 2003), in Zheng Bijian, 郑必坚论集: 关于历史机遇和中国特色社会主义的战略道路 [Collected Works of Zheng Bijian: Historical Opportunities and the Strategic Path of Socialism with Chinese Characteristics], vol. II (Shanghai: Shanghai Renmin Chubanshe [Shanghai People’s Press], 2005), pp. 1177–1178.

¹⁵ State Council Information Office, “中国的和平发展道路 [China’s Peaceful Development Road],” *Renmin Ribao* [People’s Daily], December 23, 2005.

¹⁶ “中国的和平发展 [China’s Peaceful Development],” September 2011, in State Council Information Office, The People’s Republic of China, 2011 年中国政府白皮书汇编 [Collection of 2011 White Papers of the Government of China] (Beijing: Renmin Chubanshe [People’s Press], 2011), pp. 161–187.

¹⁷ *Ibid.*, p. 163.

¹⁸ *Ibid.*, p. 171.

¹⁹ Zheng Bijian, “中国和平崛起新道路和亚洲的未来,” p. 1177; Zheng Bijian, “建议就‘中国和平崛起道路’展开研究 [Proposal for a Study on the ‘Development Path of China’s Peaceful Rise’]” (December 30, 2002), in Zheng Bijian, 郑必坚论集, vol. II, p. 1130.

Zemin and Hu Jintao, when discussing the “great rejuvenation of the Chinese nation” (中华民族伟大复兴), not only underscored material achievements, such as the growing power of the nation and wealth of the people through reform and opening-up; they also emphasized that this was premised on “opening up, creating, upholding, and developing socialism with Chinese characteristics.”²⁰

Whereas the 2005 white paper focused on China’s policy of cooperation with other countries and regions, the 2011 white paper noted that “Through arduous struggle, the Chinese people have succeeded in finding a path of development conforming to China’s reality—the path of socialism with Chinese characteristics.”²¹ The 2011 white paper also discussed “independent development” as one of the characteristics of the “path of peaceful development.” It described that “China maintains independence, focuses on domestic development, acts in keeping with its national conditions, carries out reform and innovation for economic and social development through its own efforts.” Furthermore, it emphasized that only by “pursuing independent development” can China participate in economic globalization and cooperate with other countries.²²

The Xi Jinping leadership inherited the policy of peaceful development.²³ At the 19th CCP National Congress held in October 2017, Xi Jinping, general secretary of the CCP Central Committee, stressed that “the Chinese Dream can be realized only in a peaceful international environment and under a stable international order.” He stated that China must “stay on the path of peaceful development” and “will continue its efforts to safeguard world peace, contribute to global development, and uphold international order.”²⁴ Meanwhile, the Xi leadership began to reiterate the domestic political context of peaceful development—the leadership of the Party that forms a core element of “the path of socialism with Chinese characteristics.” Xi remarked that “without the leadership of the CCP,” China would not have “achieved such high international standing.”²⁵ China emphasizes that its development and rise were also “the result of the strong leadership of the

²⁰ Hu Jintao, “在庆祝中国共产党成立九十周年大会上的讲话 [Speech at a Meeting Commemorating the 90th Anniversary of the Founding of the Communist Party of China]” (July 1, 2011), in Hu Jintao, 胡锦涛文选 [Selected Works of Hu Jintao], vol. 3 (Beijing: Renmin Chubanshe [People’s Press], 2016), p. 523.

²¹ “中国的和平发展,” September 2011, pp. 164–165.

²² *Ibid.*, pp. 165–166.

²³ Xi Jinping, “在南京大屠杀死难者国家公祭仪式上的讲话 [Speech at the National Memorial Ceremony for the Victims of the Nanjing Massacre]” (December 13, 2014), *Guangming Ribao* [Guangming Daily], December 14, 2014; Xi Jinping, “携手构建合作共赢新伙伴, 同心打造人类命运共同体 [Working Together to Forge a New Partnership of Mutually Beneficial Cooperation and Create a Human Community with a Shared Future]” (September 28, 2015), in Xi Jinping, 论坚持推动构建人类命运共同体 [On Building a Human Community with a Shared Future] (Beijing: Zhongyang Wenxian Chubanshe [Central Party Literature Press], 2018), p. 257; “习近平在庆祝中国共产党成立九十五周年大会上的讲话 [Speech by Xi Jinping at a Ceremony Marking the 95th Anniversary of the Founding of the Communist Party of China]” (July 1, 2016), *Renmin Ribao* [People’s Daily], July 2, 2016; Xi Jinping, “决胜全面建成小康社会 夺取新时代中国特色社会主义伟大胜利: 在中国共产党第十九次全国代表大会上的报告 [Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era: Report at the 19th National Congress of the Communist Party of China]” (October 18, 2017), in 中国共产党第十九次全国代表大会文件汇编 [Compilation of Documents of the 19th National Congress of the Communist Party of China] (Beijing: Renmin Chubanshe [People’s Press], 2017), p. 20. See also the following article: “习近平谈和平发展: 让人类命运共同体建设的阳光普照世界 [Xi Jinping Discusses Peaceful Development: Let the Sunshine of Building a Community of Human Destiny Shine on the World],” *Zhongguo Gongchandang Xinwenwang* [CCP News Online], August 28, 2018.

²⁴ Xi Jinping, “决胜全面建成小康社会 夺取新时代中国特色社会主义伟大胜利,” pp. 20–21.

²⁵ Xi Jinping, “中国共产党领导是中国特色社会主义最本质的特征 [CCP Leadership Is Essential to Chinese Socialism]” (September 5, 2014 – February 13, 2017), in Xi Jinping, 习近平谈治国理政 [Xi Jinping: The Governance of China], vol. 2 (Beijing: Waiwen Chubanshe [Foreign Languages Press], 2017), p. 20.

Party Central Committee” and exemplify the “primacy of [China’s] socialist system” under Xi’s leadership.²⁶ Thus, it does not regard that participating in and benefiting from the elements of the liberal international order are mutually contradictory, neither with following the “path of socialism with Chinese characteristics,” nor maintaining and strengthening its core element, the leadership of the Party.²⁷

2. WTO Accession and Reform within the International System: The Quest for Affinity

As discussed later, after Xi Jinping came into power in 2012, an argument arose emphasizing the systemic and institutional primacy of China over Western countries that led the liberal international order. The debates during the Jiang Zemin and Hu Jintao administrations were not dissimilar but argued: for China to become a true world power, it must have not only economic, military, and scientific and technological capabilities, but also the political, economic, and diplomatic systems needed to make it a great power. In other words, previous arguments did not necessarily stress China’s primacy over Western systems and institutions. Rather, they stressed studying Western systems and institutions. It was expected to increase affinity between “socialism with Chinese characteristics” and the Western model.²⁸

Professor Ye Zicheng of Peking University remarked, “China’s economic system is becoming more like that of the international community. We have already past the most difficult stage, and our economic development is moving toward the right track.” He conceived that China’s economic system should have affinity with international standards.²⁹ Other scholars argued that China must continue to open up to the outside world and expand its market in order to adapt to the trend of economic globalization and rapid advances in science and technology. They emphasized the significance of using foreign funds, technology, resources, and advanced management know-how of Western countries to promote China’s economic and social development.³⁰ In this context, they underscored the importance of reforming the domestic economic system with a view to building an open market economic system.³¹

This effort culminated in China’s accession to the WTO in December 2001. At around this time, China had established direct ties with most international and regional organizations. WTO accession was considered to provide China with more opportunities for trade and investment

²⁶ Xi Jinping, “决胜全面建成小康社会 夺取新时代中国特色社会主义伟大胜利,” p. 8, 17.

²⁷ Professor Hu Angang, dean of the Institute for Contemporary China Studies at Tsinghua University, states that gaining the primacy of political systems under the leadership of the Party is a sufficient condition for the great rejuvenation of the Chinese nation, and that increasing confidence in and awareness of China’s systems would be key to China’s continued success. Hu Angang, 中国集体领导体制 [The System of Collective Leadership in China] (Beijing: Zhongguo Renmin Daxue Chubanshe [China Renmin University Press], 2013), pp. 3–8.

²⁸ Ye Zicheng, 中国大战略: 中国成为世界大国的主要问题及战略选择 [China’s Grand Strategy: The Main Problems and Strategic Options for China to Become a World Power] (Beijing: Zhongguo Shehui Kexue Chubanshe [China Social Sciences Press], 2003), pp. 116–126.

²⁹ *Ibid.*, p. 117.

³⁰ Zhang Xiangchen and Sun Liang, WTO后的中美关系: 与美国学者对话 [China-U.S. Relations after the WTO: Dialogue with U.S. Scholars] (Guangzhou: Guangdong Renmin Chubanshe [Guangdong People’s Press], 2002), p. 23.

³¹ Guo Zhenyuan, ed., 建设和谐世界: 理论与实践 [Building a Harmonious World: Theory and Practice] (Beijing: Shijie Zhishi Chubanshe [World Affairs Press], 2008), pp. 115–116. See also Wu Jinglian, 当代中国经济改革 [Contemporary Chinese Economic Reform] (Shanghai: Shanghai Yuandong Chubanshe [Shanghai Far East Publishers], 2004), Chapter 8.

cooperation, while at the same time requiring it to withstand pressure to further open up its domestic market. The international pressure to open up was expected to intensify, especially in the services sector. Nevertheless, arguments in China were in favor of WTO accession, contending that it would accelerate China's development into a "trading power."³² In short, it was thought that participation in the Western-led international economic system would contribute to the further reform and growth of China.³³ In this context, Beijing did not seek to overhaul the existing international order. Wang Yi, then vice minister of foreign affairs, emphasized, "We are proposing a new order, but we are not abandoning or rejecting the existing order."³⁴

Meanwhile, China did not simply seek to verge on the existing international order. Regarding active participation in the international system, including WTO accession, PRC strategists explained that the Chinese leadership chose to "push forward with reforming the unreasonable components within the existing international order to maximize China's interests."³⁵ Wang Yi, vice minister of foreign affairs, remarked that China would "adjust and reform the unreasonable and unfair aspects of the international order to reflect the shared interests of the majority of states and people and promote the democratization of international relations."³⁶ In other words, China attempted to promote reforms within the international system through active and direct engagement with the liberal international order.

According to the Jiang Zemin and Hu Jintao administrations, the new order that was to result from such reforms had three characteristics. First, the new order would respect each country's entitlement to "choose its own path of development independently" based on its circumstances, and it must give priority to the principle of non-interference in internal affairs. Second, it would guarantee the right of each country to participate equally in international affairs, and it must strengthen the role of the UN, regional organizations, and developing countries. Third, it must enable each country to equally enjoy the right to development, ensuring the rights of developing countries in particular. In this regard, the leadership stressed the need to reform the international economic system and the UN system.³⁷ Development issues were identified as a priority area for

³² At the opening ceremony of the high-level China Development Forum held in March 2002, then Vice Premier Wen Jiabao remarked, "With the WTO accession as a new starting point," China will "participate in international economic cooperation and competition with a more proactive attitude and accelerate economic reform and development." Wang Zhenchuan, ed., 中国改革开放新时期年鉴2002年 [Yearbook of the New Era of China's Reform and Opening-up 2002] (Beijing: Minzhu Fazhi Chubanshe [Democracy and Legal System Press], 2014), pp. 246–247. For an experts' discussion of this topic, see, for example, Wu Xingnan and Lin Shanwei, 全球化与未来中国 [Globalization and the Future of China] (Beijing: Zhongguo Shehui Kexue Chubanshe [China Social Sciences Press], 2002), pp. 81–85.

³³ Wang Yizhou, 全球政治和中国外交 [Global Politics and China's Foreign Policy] (Beijing: Shijie Zhishi Chubanshe [World Affairs Press], 2003), p. 275; Wang Haijuan and Zhang Hui, "中国建立全球视野 [China's Establishment of a Global Perspective]," *Beijing Wanbao* [Beijing Evening News], June 2, 2003.

³⁴ Wang Yi, "以邻为善 以邻为伴 [Becoming Friends and Partners with Neighbors]," *Qiushi* [Seeking Truth], no. 4, 2003, p. 22.

³⁵ Qin Yaqing et al., 国际体系与中国外交 [The International System and China's Foreign Policy] (Beijing: Shijie Zhishi Chubanshe [World Affairs Press], 2009), p. 87.

³⁶ Wang Yi, "以邻为善 以邻为伴," p. 22.

³⁷ "江泽民指出, 建立国际新秩序已成为时代发展要求 [Jiang Zemin Notes that the Establishment of a New International Order Has Already Become a Requirement of the Times]," *Zhongguo Xinwenshe* [China News Agency], October 10, 2000; Jiang Zemin, "合作发展 共创辉煌: 在二〇〇一年亚太经合组织工商领导人峰会上的演讲 [Striving for Development and Prosperity through Cooperation: Address at APEC CEO Summit 2001]" (October 18, 2001), *Renmin Ribao* [People's Daily], October 19, 2001.

reform, and China's policy goal was set as achieving "extensive participation and equal status [for] the vast majority of the developing countries" within the liberal international order.³⁸

China for the most part adopted a low-profile approach throughout the 2000s. The Chinese leadership at the time (especially the Hu Jintao administration) indicated that China was willing to assume international responsibility selectively to the extent that it contributes to its economic development, the core task of domestic administration.³⁹ In its discussion of international order reform, Hu Jintao said it would give consideration to and take concrete support measures for developing countries.⁴⁰ Its foreign policy, by contrast, affirmed that Beijing would "ensure China does not assume a flag-bearer or leading role internationally" according to PRC Premier Wen Jiabao.⁴¹

3. Reforming within the International System in a Power-shift Environment

In the latter half of the 2000s, the nature of the relationship between China and the Western-led international system became a subject of a renewed debate domestically. For example, in February 2007, the *World Affairs* magazine affiliated with the Chinese Ministry of Foreign Affairs held a roundtable discussion titled, "International Linkages: What to Accept and How?" Wang Yajuan, editor-in-chief of the magazine, raised the following issue: "The economy and trade are linked to many rules, and they have a strong coercive character." On this issue, Jiang Shixue, deputy director of the Institute of Latin American Studies at the Chinese Academy of Social Sciences (CASS), noted that "because many international rules have been formulated by economically advanced countries, developing countries have frequently been placed at a disadvantage in the process of developing international linkages," and stressed the importance of China "acting in solidarity with developing countries to formulate international rules that dovetail with the interests of developing countries."⁴²

Furthermore, the 2008 global financial crisis was thought to trigger a shift in the global balance of power, and as providing a favorable opportunity for promoting efforts to reform the

³⁸ Wang Yi, "推动多边主义发展,促进世界多极化进程 [Facilitating the Development of Multilateralism and Promoting World Multi-polarization]" (August 19, 2004).

³⁹ Masuda Masayuki, "中国外交における'国際責任': 高まる国際的要求、慎重な自己認識、厳しい国際情勢認識 [‘International Responsibility’ in China’s Foreign Policy: Growing International Demands, Cautious Self-Recognition, and Severe Perception of the International Situation]," *Ajia Keizai* [Asia Economy], vol. 50, no. 4 (April 2009), pp. 2–24.

⁴⁰ In his speech to the UN in September 2005, President Hu Jintao presented on the "Harmonious World" argument in a structured manner. The speech gave consideration to developing countries, noting that "[economic] globalization should benefit all countries, developing countries in particular." *Xinhua Monthly News*, ed., 时政文献辑览 (2004.3–2006.3) [Collection of Writings on Current Affairs and Politics (2004.3–2006.3)], vol. II, (Beijing: Renmin Chubanshe [People’s Press], 2006), p. 1649. A day before this speech, Hu announced the following support measures for developing countries "to make utmost efforts to support and assist other developing countries in accelerating their development": (1) zero-tariff treatment for least developed countries; (2) expansion of assistance to heavily indebted poor countries and least developed countries; (3) enhanced support for infrastructure development in developing countries; (4) enhanced assistance to African countries; and (5) training of 30,000 personnel. *Ibid.*, pp. 1643–1645.

⁴¹ Wen Jiabao, "关于社会主义初级阶段的历史任务和我国对外政策的几个问题 [Our Historical Tasks at the Primary Stage of Socialism and Several Issues concerning China’s Foreign Policy]," *Renmin Ribao* [People’s Daily], February 27, 2007.

⁴² Wang Yajuan, "国际接轨: 接什么? 怎样接? [International Linkages: What to Accept and How?]," *Shijie Zhishi* [World Affairs], no. 6, 2007, p. 17.

international system. The annual report of the Institute of International Relations at the People's Liberation Army (PLA) College of International Relations stated that "the United States has suffered a major blow" from the financial crisis and that, although its leading position and role in the world economy will not change in the immediate future, the United States will "without a doubt see its standing slide precipitously" in the future.⁴³ The report further noted that the financial crisis "occurred at an extremely good time [for emerging powers] to participate in the rebuilding of the international economic system," and that "emerging powers will be able to exploit this opportunity to establish themselves as leading players, or as major supporting actors, on the global stage."

Both the Communiqué of the Fourth Plenary Session of the 17th CCP Central Committee held in September 2009 and the "Decision of the Central Committee of the Communist Party of China on Several Major Issues concerning the Strengthening and Improvement of Party Building under the New Circumstances" referred to the impact of the financial crisis, revealing in remarks such as "a new change has occurred in the framework of the global economy and a new global power balance can now be seen."⁴⁴ Additionally, at the 11th Meeting of Chinese Diplomatic Envoys held in July of the same year, Hu Jintao remarked, "the prospect of global multipolarization has become much clearer."⁴⁵ The Hu Jintao administration viewed the changes that arose in the international environment following the financial crisis as a diplomatic opportunity.

Such changes in the power balance were not determined solely by the changes in post-Cold War great power relations—the "one superpower with multiple powers" (一超多强). Rather, the "collective rise of developing nations" was viewed as the principal element that prompted these changes.⁴⁶ From this perspective, the G20 platform was China's main diplomatic platform amidst such changes. Cui Liru, president of the China Institutes of Contemporary International Relations (CICIR), discussed the significance of the G20 from the standpoint of a changeover from old to new world order as follows: "The G20 has replaced the G7 at the center of the world stage.⁴⁷ This signifies that multipolarization has entered a new phase and indicates that a new world order will soon replace the old one."

At the Second G20 Summit in April 2009, Hu Jintao expressed his view that the G20, with its "broad representation" that includes developing nations, is "an important and effective platform" for concerted efforts to counter the global financial crisis, and strongly urged reform of the international financial system. He proposed, among other specific measures, that international financial institutions give more assistance to developing countries and that the International

⁴³ Institute of International Relations, PLA College of International Relations, ed., 2008国际安全 [2008 International Security] (Beijing: Shishi Chubanshe [Current Affairs Press], 2009), pp. 21–22.

⁴⁴ "中国共产党第十七届中央委员会第四次全体会议公报 [Communiqué of the Fourth Plenary Session of the 17th Central Committee of the Communist Party of China]," Xinhua, September 18, 2009; "中共中央关于加强和改进新形势下党的建设若干重大问题的决定 [Decision of the Central Committee of the Communist Party of China on Several Major Issues concerning Strengthening and Improving Party Building under the New Situation]," *Renmin Ribao* [People's Daily], September 28, 2009.

⁴⁵ "第十一次驻外使节会议在京召开 [The 11th Ambassadorial Conference Held in Beijing]," *Renmin Ribao* [People's Daily], July 21, 2009.

⁴⁶ Peng Guangqian, "金融危机对国际格局的影响 [The Impact of the Global Financial Crisis on the International Structure]," *Xiandai Guoji Guanxi* [Contemporary International Relations], no. 4, 2009, p. 28.

⁴⁷ Cui Liru, "全球化时代与国际秩序转变 [The Age of Globalization and the Transformation of the International Order]," *Xiandai Guoji Guanxi* [Contemporary International Relations], no. 4, 2009, pp. 1–2.

Monetary Fund (IMF) and the World Bank increase the representation and voice of developing nations.⁴⁸ At the Third G20 Summit in September, Hu emphasized that it was “a solemn commitment [the G20 leaders] have made to the whole world” to carry out the political consensus reached in previous G20 summits on reform of the international financial system. In that speech, he reaffirmed his position that the member nations should “increase the representation and voice of developing countries and push for substantive progress in the reform.”⁴⁹

Responding to the push by China and other developing countries for reform of the international financial system, the Leaders’ Statement for the Second G20 Summit announced an agreement on a \$1.1 trillion support program, which included increasing the resources available to the IMF to \$750 billion and adding \$250 billion of support for trade finance.⁵⁰ Based on this agreement, in July 2009, the Executive Board of the IMF adopted a decision to allocate Special Drawing Rights (SDR) equivalent to \$250 billion to 186 member nations which can be exchanged for dollars, euros, and other currencies, thus supporting those developing countries and emerging powers that were uncertain about their ability to repay external liabilities in the international financial crisis.⁵¹

Based on these outcomes, many experts in China expressed optimistic views toward implementing reform within the existing international financial system. First, the financial crisis manifested a shift in the global balance of power. The world saw the rise of China and other developing nations and emerging powers alongside a relative erosion of U.S. power and influence. This reinforced international recognition of the position and role occupied by developing nations and emerging powers in countering the global financial crisis.⁵² Second, the U.S. ability to control the international system began to show signs of decline. Referring to the international financial crisis that originated in the United States, Wu Jianmin, former Chinese ambassador to France and a regular commentator on foreign affairs, remarked, “The U.S. position as a financial hegemon is fluctuating, and it has already become difficult for one country to lead the international financial system.”⁵³ Third, global issues were increasing, requiring the involvement of a wider range of stakeholders to solve them. In light of these changing circumstances, Wu argued that “the adjustment and transformation of the international system are offering China unprecedented opportunities.”⁵⁴

In December 2010, the IMF Board of Governors adopted a reform plan to adjust the quota

⁴⁸ Hu Jintao, “携手合作 同舟共济: 在二十国集团领导人第二次金融峰会上的讲话 [Let Us Join Hands and Tide over Difficulties Together: Remarks at the Second G20 Financial Summit]” (April 2, 2009), *Renmin Ribao* [People’s Daily], April 3, 2009.

⁴⁹ Hu Jintao, “全力促进增长 推动平衡发展: 在二十国集团领导人第三次金融峰会上的讲话 [Make Every Effort to Promote Growth and Balanced Development: Remarks at the Third G20 Financial Summit]” (September 25, 2009), *Renmin Ribao* [People’s Daily], September 26, 2009.

⁵⁰ “London Summit: Leaders’ Statement,” April 2, 2009.

⁵¹ IMF External Relations Department, “IMF Executive Board Backs US\$250 Billion SDR Allocation to Boost Global Liquidity,” Press Release No. 09/264, July 20, 2009.

⁵² Qin Yaqing et al., 国际体系与中国外交, p. 91.

⁵³ Wu Jianmin, “大事、动向、思考: 对2008年国际形势的回顾与思考 [Major Events, Trends, and Reflections: Review and Reflections on the International Situation in 2008],” in Wu Jianmin, 世界大变化: 吴建民的看法与思考 (2) [Great Changes in the World: Wu Jianmin’s Views and Reflections (2)] (Beijing: Zhongguo Renmin Daxue Chubanshe [China Renmin University Press], 2010), p. 47.

⁵⁴ Qin Yaqing et al., 国际体系与中国外交, p. 91.

and voting shares of emerging powers and developing countries, as part of the IMF reforms to align with the changes in the global balance of power.⁵⁵ From the perspective of increasing the voice of emerging powers and developing nations, a review of quota shares was conducted, resulting in a shift of more than 6% of quota shares from developed and oil-producing countries to emerging powers and developing countries, while maintaining the share of the poorest members. China's quota share became the third largest (6.39%) after Japan (6.46%), the second largest quota holder. For governance reforms, it was agreed that advanced European countries would reduce their total number of seats on the Board by two chairs, with a view to expanding the representation of emerging powers and developing countries. In addition, the existing system of appointing directors of the Executive Board by the five largest contributors (the United States, Japan, Germany, France, and the United Kingdom) was abolished, and all 24 directors were to be elected.

For these reforms to take effect, the IMF's Articles of Agreement had to be amended. However, approval of the amendments by the United States, the IMF's largest stakeholder, was significantly delayed.⁵⁶ Faced with such circumstances, the Chinese leadership and officials repeatedly stressed the importance of the early entry into force of the IMF reform plan.⁵⁷ At the same time, China called for giving the G20 mechanism a stronger role in global economic governance, including financial governance.⁵⁸ This was in order to increase the representation and voice of developing nations and emerging powers and, within the existing system, achieve consensus that included developed countries and international organizations to resolve the issues facing developing countries.⁵⁹ The Hu Jintao administration aspired to achieve reform within the international system.⁶⁰ Hu remarked,

⁵⁵ IMF External Relations Department, "IMF Board of Governors Approves Major Quota and Governance Reforms," Press Release No. 10/477, December 16, 2010.

⁵⁶ In December 2015, the U.S. Senate ratified reforms to boost the representation of emerging economies at the International Monetary Fund as part of a budget bill. As a result, the reform plan entered into force in late January 2016. "U.S. Senate Passes IMF Reforms in Budget Bill," Reuters, December 18, 2015; IMF Communications Department, "Historic Quota and Governance Reforms Become Effective," Press Release no. 16/25, January 27, 2016.

⁵⁷ "外交部就习近平主席访问中亚四国并出席二十国集团领导人第八次峰会, 上海合作组织成员国元首理事会第十三次会议举行中外媒体吹风会 [The Ministry of Foreign Affairs Held a Briefing for Chinese and Foreign Media on President Xi Jinping's Visit to Four Central Asian Countries and His Attendance at the Eighth G20 Summit and the 13th Meeting of the Council of Heads of State of the Shanghai Cooperation Organization]," Xinhua, August 28, 2013; "习近平出席金砖国家领导人非正式会晤时强调金砖国家要凝聚共识加强团结合作 [Xi Jinping Attends BRICS Informal Summit, Stresses the Need for BRICS Countries to Build Consensus and Strengthen Solidarity and Cooperation]," Xinhua, September 6, 2013.

⁵⁸ "张高丽出席第十七届圣彼得堡国际经济论坛 [Zhang Gaoli Attends the 17th St. Petersburg International Economic Forum]," *Jingji Ribao* [Economic Daily], June 22, 2013.

⁵⁹ "2013年G20峰会将在俄举行 中方提五点期待 [The 2013 G20 Summit to Be Held in Russia, China Presents Five Expectations]," Renmin Wang [People's Daily Online], August 28, 2013; Tian Ye, 中国参与国际合作的制度设计: 一种比较制度分析 [Institutional Design in China's International Cooperation: A Comparative Institutional Analysis] (Beijing: Shehui Kexue Wenxian Chubanshe [Social Sciences Academic Press], 2017), pp. 5–6.

⁶⁰ The remarks and articles by leaders and officials during this period regarding China's participation in global economic governance do not specify an intention to establish new institutions. They chiefly discuss reforms within the existing international system. See, for example, the article written by Yang Jiechi, then minister of foreign affairs, in response to the adoption of the CCP Central Committee's proposal on the 12th Five-Year Plan at the Fifth Plenary Session of the 17th CCP Central Committee in October 2010. Yang Jiechi, "积极参与全球经济治理和区域合作 [Active Participation in Global Economic Governance and Regional Cooperation]," in Editorial Team, ed., "中共中央关于制定国民经济和社会发展第十二个五年规划的建议"辅导读本 [Guidance Reader on the "Proposal by the Central Committee of the Communist Party of China on the Formulation of the 12th Five-Year Plan for Economic and Social Development"] (Beijing: Renmin Chubanshe [People's Press], 2010), pp. 356–365.

“The international community should make necessary reform of the international financial system based on full consultations among all stakeholders. Reform of the international financial system should aim at establishing a new international financial order that is fair, just, inclusive and orderly and fostering an institutional environment conducive to sound global economic development. The reform should be conducted in a comprehensive, balanced, incremental and pragmatic manner.”⁶¹

4. Xi Jinping’s Search for Discourse Power

Following the global financial crisis, the delay in reforming the existing international economic system including the IMF and the World Bank came to be understood in a context that went beyond the question of whether Western countries (especially the United States) would approve of greater representation and voice for emerging and developing economies. In the aftermath of the financial crisis, developed countries rolled out bailout measures, nationalizing and injecting capital into failing companies, while the Chinese government unleashed a two-year, 4 trillion-RMB economic stimulus plan.⁶² A relative increase in the role of the state in the market-state relationship was observed globally. As a result, skepticism over free market principles spread rapidly across the world, while discussion of the “Beijing Consensus” and the “Chinese model” intensified in the international community.⁶³ As part of this discussion, the argument that the world entered an era of conflict between free-market nations and state-capitalist nations gained traction, and Western countries began to express alarm about the latter.

The “state capitalism versus free markets” picture unfolded in actual policy implementation. In the Trans-Pacific Partnership (TPP) negotiations, for example, the Barack Obama administration of the United States continued to advocate for competitive neutrality between state-owned enterprises and private companies. In this regard, Secretary of State Hillary Rodham Clinton emphasized, “We are working to include a chapter on state-owned enterprises in the Trans-Pacific Partnership and to finalize new OECD guidelines. Our premise is simple; the rules must apply equally to all companies. We call this commonsense principle competitive neutrality, and we promote it all over the world.”⁶⁴ Although TPP negotiating partner Vietnam was the direct target of this effort, there was talk in the United States that the target was encouraging policy changes in China through standardizing the competitive neutrality principle in the TPP negotiations.⁶⁵ At the U.S.-China summit meeting held on the margins of the 2011 APEC Economic Leaders’ Meeting in Hawaii, President Obama noted growing concern and frustration in the U.S. business community over China’s economic policies and the state of U.S.-China economic relations, pointing to intellectual

⁶¹ Hu Jintao, “改革国际金融体系, 维护国际金融稳定 [Reforming the International Financial System and Maintaining International Financial Stability]” (November 15, 2008), in Hu Jintao, 胡锦涛文选 [Selected Works of Hu Jintao], vol. 2, p. 138.

⁶² “扩大内需促进增长十项措施出台 [Ten Measures to Expand Domestic Demand and Promote Growth],” *Renmin Ribao* [People’s Daily], November 10, 2008.

⁶³ See, Stefan Halper, *The Beijing Consensus: How China’s Authoritarian Model Will Dominate the Twenty-First Century* (New York: Basic Book, 2010).

⁶⁴ “Hillary Rodham Clinton, Secretary of State Speaks on Economic Statecraft,” Targeted News Service, October 14, 2011.

⁶⁵ Bob Davis, “In Trade Talks, U.S. Targets State Subsidies: Administration Uses Pacific Pact Negotiations to Seek Limits on Government-Owned Companies, With an Eye on China,” *Wall Street Journal*, October 26, 2011.

property rights, the position of state-owned enterprises in China, and the issue of subsidies.⁶⁶ The United States thus began to pursue strategic competition with China by way of rule-making.

At the end of 2012, a research group from the CASS Institute of World Economics and Politics published a report titled, “How Will China Participate in International Economic Rulemaking?”⁶⁷ The report offered the following assessments of the situation over the next five years. First, with the rapid rise of China, the “one superpower with multiple powers” post-Cold War power structure will weaken, and U.S. dominance will decline. Second, while cooperation and competition will coexist in some aspects of great power relations, the rise of China may divide the camps. Third, as the relative position of the United States declines, other great powers will fail to fill in U.S. place. Existing international organizations will also fail to exercise strong leadership. Based on this judgment, the report projected that “With increasing likelihood, the United States will exercise external influence both through rules and through noncoercive force.” That is, the limits of reform within the international system began to be discussed in China, and it began to urge for strategic adjustments in preparation for competition over international rulemaking.⁶⁸

The Xi Jinping leadership, which came into power after the 18th CCP National Congress in November 2012, ratcheted up efforts to build an international order. In the fall of 2013, Xi presented two Silk Road initiatives in Kazakhstan and Indonesia, respectively, which were later combined to form the Belt and Road Initiative (BRI). The proposal for the BRI was followed by Xi’s formal proposal for the establishment of the Asian Infrastructure Investment Bank (AIIB) in October of the same year and announcement of the establishment of the Silk Road Fund in November. In 2014, Xi began referring to “public goods” in his messages to the global audience. He spoke about the AIIB, the Silk Road Fund, and the BRI, noting China’s willingness and ability to provide international public goods, at the China-Arab States Cooperation Forum in June, in an interview before the BRICS Summit in July, at the Dialogue on Strengthening Connectivity Partnership with the leaders of seven Southeast Asian and Central Asian countries in November, and at the APEC CEO Summit also in November.⁶⁹

Judging from Xi’s remarks, the international public goods that China sought to provide were primarily related to transforming global economic governance. Xi’s thought regarding the transformation of global governance—that rulemaking would be the focus of the transformation process—was presented at a Central Politburo group study session which Xi presided in mid-

⁶⁶ “Obama Uses Bilateral, Multilateral Fora to Push China on Currency, IPR,” *Inside US-China Trade*, vol. 11, no. 45, November 16, 2011.

⁶⁷ “China’s Response to International Rules” Project Team, Institute of World Economics and Politics, Chinese Academy of Social Sciences, “中国应如何参与国际经济规则制定? [How Will China Participate in International Economic Rulemaking?],” *Zhongguo Shichang* [China Market], no. 50, 2012, pp. 19–26.

⁶⁸ Jin Canrong and Jin Junda, “中国与国际金融体系: 从参与到重塑 [China and the International Financial System: From Participation to Rebuilding],” *Xueshu Qianyan* [The Frontiers of Academia], no. 16, 2015, p. 8.

⁶⁹ Xi Jinping, “弘扬丝路精神, 深化中阿合作 [Promoting the Spirit of the Silk Road, Strengthening Sino-Arab Cooperation]” (June 5, 2014), in Xi Jinping, 论坚定构建人类命运共同体, p. 121; “习近平接受拉美四国媒体联合采访 [Xi Jinping Jointly Interviewed by the Media of Four Latin American Countries],” *Jingji Ribao* [Economic Daily], July 15, 2014; Xi Jinping, “联通引领发展 伙伴聚焦合作 [Using Connectivity as a Boon to Development and Partnership to Facilitate Cooperation]” (November 8, 2014), in Xi Jinping, 论坚定构建人类命运共同体, p. 169; Xi Jinping, “谋求持久发展, 共筑亚太梦想 [Seeking Sustained Development and Fulfilling the Asia Pacific Dream]” (November 9, 2014), in Xi Jinping, 论坚定构建人类命运共同体, p. 179.

October 2015.⁷⁰ Xi noted that the rapid development of emerging and developing economies have brought about “revolutionary changes in the international balance of power since modern times,” and that the governance system would be transformed based on the “cooperative relations and interests created by institutions and rules.” This process, Xi said, would “set the rules and direction” of the international order and system, and would have implications for each country’s “standing and role under longstanding institutions in the international order and system.” While affirming the traditional policy goals of increasing the representation and voice of emerging and developing economies in existing international organizations (especially the IMF and World Bank), Xi also called for “promoting the establishment of new mechanisms and new rules” in international economics and finance, new fields,⁷¹ and regional cooperation.

The intentions expressed by Xi Jinping were also enshrined in Party and state policies. A communiqué adopted at the Fifth Plenary Session of the 18th CCP Central Committee at the end of October 2015 listed the following: “Participate actively in global economic governance and the supply of public goods; raise China’s institutional discourse power in global economic governance; establish a far-ranging community of shared interests.”⁷² Similar phrases were included in the 13th Five-Year Plan (2016–2020).⁷³ Noteworthy is the phrase “institutional discourse power” (制度性话语权). Since the late 2000s, experts in China have held extensive discussions on China’s “discourse power” in the international community. Judging from these discussions, discourse power has two components: rights (权利) and power (权力).⁷⁴ Rights refers to a country’s right to voice its claims and viewpoints, and corresponds to a country’s right to vote and represent itself in international organizations. From the aspect of power, international discourse power refers to the influence of a country’s claims and principles internationally accepted. The Xi Jinping’s leadership affirmed primarily the discourse power in the latter context. Elements comprising China’s discourse are cultural values, principles, and ideology, as well as the primacy of the “system of socialism with Chinese characteristics” that such elements embody.⁷⁵

Institutionalization, including rulemaking, is a means for China’s discourse to attain a high level of acceptance in the international community. Professor Zuo Fengrong of the Central Party School mentions the post-war international system. He contends that the superiority of U.S. state

⁷⁰ Xi Jinping, “弘扬共商共建共享的全球治理理念 [Championing Discussion and Collaboration for Shared Growth as a Principle of Global Governance]” (October 12, 2015), in Xi Jinping, 论坚定构建人类命运共同体, pp. 259–261.

⁷¹ During a Central Politburo group study session in September 2016, Xi Jinping mentioned maritime, polar, cyber, space, nuclear safety, anti-corruption, and climate change as new areas in which China should actively participate in rulemaking. Xi Jinping, “提高我国参与全球治理的能力 [Improving Our Ability to Participate in Global Governance (September 27, 2016)],” in Xi Jinping, 论坚定构建人类命运共同体, p. 385.

⁷² “中国共产党第十八届中央委员会第五次全体会议公报 [Communiqué of the Fifth Plenary Session of the 18th Central Committee of the Communist Party of China],” *Renmin Ribao* [People’s Daily], October 30, 2015.

⁷³ “中华人民共和国国民经济和社会发展第十三个五年规划纲要 [Outline of the 13th Five-Year Plan for Economic and Social Development of the People’s Republic of China],” *Renmin Ribao* [People’s Daily], March 18, 2016.

⁷⁴ Zhou Xiaomao, “关于制度性话语权的若干思考 [Some Thoughts on Institutional Discourse Power],” *Hunan Ribao* [Hunan Daily], August 7, 2016; Sun Jisheng, “中国国际话语权的塑造与提升路径: 以党的十八大以来的中国外交为例 [The Shaping of China’s International Discourse Power and the Path to its Enhancement: An Example of China’s Diplomatic Practice since the 18th Party Congress],” *Shijie Jingji Yu Zhengzhi* [World Economics and Politics], no. 3, 2019, p. 24.

⁷⁵ Tang Aijun, “掌握中国制度的话语权 [Mastering the Discourse Power for Understanding China’s Institutions],” *Xinhua Ribao* [Xinhua Daily], November 26, 2019.

power, coupled with the establishment of international organizations such as the IMF and the World Bank as coordination mechanisms for the world economy, gave U.S. discourse power its dominance.⁷⁶ By this logic, the establishment of the AIIB, the BRICS New Development Bank (NDB), and the Silk Road Fund were attempts by China to institutionalize its discourse power. After the G20 Summit in Hangzhou in September 2016, Xi Jinping presided over a Central Politburo group study session on transforming the global governance system. As far as official reports indicate, while Xi did not explicitly mention discourse power at this meeting, he expounded on capabilities that China should enhance in a similar context. Xi spoke about increasing China's participation in overall global governance by enhancing capacities for rulemaking, agenda-setting, publicity, and unified coordination. Xi called for (1) promoting BRI construction at a deeper level and strengthening planning and strategic linkages with relevant countries, (2) establishing regional organizations and regional forum mechanisms centered around neighboring regions, and (3) strengthening participation in rulemaking in new areas, such as cyber, polar, deep sea, and space—i.e., for elevating institutional discourse power in a wide range of areas.⁷⁷

China's policies began to be designed with the aim of strengthening institutional discourse power. At the G20 Hangzhou Summit in September 2016, China sought to build consensus on two fronts: growth of the world economy and transformation of the global governance system. On the former, the G20 Summit adopted the Hangzhou Action Plan, which expressed determination to use all policy tools—monetary, fiscal, and structural—individually and collectively and which included the latest macroeconomic and structural policies. In addition, the Blueprint on Innovative Growth, which encompasses innovation, the new industrial revolution, the digital economy, as well as structural reforms, was formulated. On governance system transformation, China sought the G20's "transformation from a crisis management mechanism to a long-term governance mechanism."

Xi Jinping highlighted that the G20 Hangzhou Summit "achieved a series of creative, driving, and mechanistic outcomes."⁷⁸ According to Xi, in addition to China "fully presenting its view of global economic governance for the first time," the summit achieved other specific outcomes, namely: "For the first time, innovation was a core outcome"; "For the first time, a multilateral investment rule framework was established"; "For the first time, a chairman's statement on climate change was issued"; and "For the first time, green finance was placed on the agenda." Furthermore, immediately after the meeting, Xi noted that the G20 Hangzhou Summit realized "three firsts" in the area of development. The summit was "the first time that development was featured prominently in the global macro-policy framework; the first time that an action plan was established on the 2030 Agenda for Sustainable Development; and the first time that collective action was adopted to support industrialization in Africa and least developed countries."⁷⁹

Furthermore, the entry into force of the IMF's reform amendment in January 2016, the

⁷⁶ Zuo Fengrong, "全球治理中的国际话语权 [International Discourse Power in Global Governance]," *Xuexi Shibao* [Study Times], November 29, 2019.

⁷⁷ "加强合作推动全球治理体系变革 共同促进人类和平与发展崇高事业 [Strengthening Cooperation to Promote Changes in the Global Governance System and Jointly Promoting the Noble Cause of Human Peace and Development]," *Renmin Ribao* [People's Daily], September 29, 2016; Xi Jinping, "提高我国参与全球治理的能力," p. 385.

⁷⁸ Xi Jinping, "提高我国参与全球治理的能力," p. 384.

⁷⁹ "习近平: 本次峰会在发展领域实现三个'第一次' [Xi Jinping: This summit has achieved three 'firsts' in the field of development]," *Guoji Zaixian* [CRI Online], September 5, 2016.

inclusion of the renminbi in the IMF's SDR basket in October of the same year, and efforts to institutionalize the AIIB, NDB, Shanghai Cooperation Organization (SCO) Development Bank, Silk Road Fund, and the 16+1 framework with Central and Eastern European countries were understood as measures to strengthen the institutional discourse power of not only China but also other developing nations and emerging powers. Additionally, China held the first high-level summit on BRI construction in April 2017 and sought to build a higher level of international consensus in a wide range of related areas, which could also be understood as an attempt to institutionalize discourse power.⁸⁰

Conclusion

China under the leadership of Xi Jinping is clearly ratcheting up efforts to build a new international order. Underlying these efforts is the perception that reforms to the existing international system are not easily realizable, despite the shifting balance of power seen as favorable to developing nations and emerging powers, including China. Faced with these limits, Xi's leadership set out to establish new institutions while continuing to call for reforms of the international institutions which make up the liberal international order. While the creation of the AIIB and the Silk Road Fund are illustrative examples, the BRI is also considered important from the perspective of institutionalization. The so-called "institutional discourse power" that the regime put forward in the fall of 2015 can be understood in this context.

The values underpinning the building of new institutions are by no means "liberal." China's discourse power, which the Xi Jinping leadership seeks to strengthen as the basis for institution-building, is represented by the principles, values, ideology, and institutions of China's governance and development. At the 19th National Congress in October 2017, Xi stated, "It means that the path, the theory, the system, and the culture of socialism with Chinese characteristics have kept developing, blazing a new trail for other developing countries to achieve modernization. It offers a new option for other countries and nations who want to speed up their development while preserving their independence; and it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind."

Xi then underscored, "Our whole Party must strengthen our confidence in the path, theory, system, and culture of socialism with Chinese characteristics."⁸¹ That is to say, the Xi Jinping

⁸⁰ Tang Min, president of the SmartStone Institute of Economics who serves as a counsellor at the State Council, states that developing countries, including China, could be forced into a "geo-economic" predicament if they do not address the developments surrounding the TPP and the Transatlantic Trade and Investment Partnership (TTIP), and argues that they need to "strike a balance by forming a third pole." Tang Min, "'一带一路'战略彰显'大国心态'" [The Belt and Road Strategy Shows 'Great Power Mentality'], in Li Yining et al., 读懂"一带一路" [Read and Understand the Belt and Road Initiative] (Beijing: Zhongxin Chubanshe [CITIC Press], 2015), p. 8. Zhao Longyue, professor at Guangdong University of Foreign Studies, notes, "China must consider forming a China-centered economic cooperation region through the formation of FTAs and other mechanisms. China must create new rules through practice and avoid passively accepting rules led by the United States," and also discussed the BRI. Zhao Longyue, ed., 制度性权力: 国际规则重构与中国策略 [Institutional Power: International Rule Reconfiguration and China's Strategy] (Beijing: Renmin Chubanshe [People's Press], 2016), p. 388.

⁸¹ Xi Jinping, "决胜全面建成小康社会 夺取新时代中国特色社会主义伟大胜利," p. 9, 14. A similar sentence was also added to the CCP Constitution adopted at the 19th National Congress of the Party. "中国共产党章程 (中国共产党第十九次全国代表大会部分修改, 2017年10月24日通过)" [Constitution of the Communist Party of China (partially revised by the 19th National Congress of the Communist Party of China, adopted on October 24, 2017)], 中国共产党第十九次全国代表大会文件汇编 [Compilation of Documents of the 19th National Congress of the Communist Party of China] (Beijing: Renmin Chubanshe [People's Press], 2017), p. 69.

leadership aims to build a new international order by increasing the discourse power of China and other developing nations and emerging powers, which requires having “confidence” in “socialism with Chinese characteristics.” At the second Central Conference on Work Relating to Foreign Affairs held in June 2018, Xi noted that “enhance strategic confidence with the socialism with Chinese characteristics as the support” comprised one of the aspects of the “thought on diplomacy of socialism with Chinese characteristics for a new era.”⁸²

Domestically, Xi’s policy of enhancing confidence in socialism with Chinese characteristics is oriented toward further strengthening the authoritarian system through the Party’s centralized and unified leadership.⁸³ Globally, by contrast, China is expected to further emphasize its own discourse against the underlying principles and values of the liberal international order, as well as against the institutions that support them.⁸⁴ This policy direction was affirmed in the “Decision of the Central Committee of the Communist Party of China on Several Major Issues concerning Upholding and Improving the System of Socialism with Chinese Characteristics and Modernizing the State Governance System and Governance Capacity,” adopted at the Fourth Plenary Session of the 19th CCP Central Committee held in late October 2019.⁸⁵ This decision lists the “notable strengths” of China’s state and governance systems that undergird its confidence. The first of these is “upholding the centralized and unified leadership of the CCP.” In addition, China’s diplomatic efforts, including its active engagement in global governance, were identified as “notable strengths,” along with the principles, values, culture, and institutions of governance and development.

In this respect, the connections formed between Xi’s attempt to build a new international order and the liberal international order are bound to become unstable. Some experts in China discuss the possibility of different value systems coexisting in the international order-making process. The Xi’s leadership discusses, on the contrary, the “notable strengths” of China’s domestic systems and institutions. Furthermore, He Yiting, executive vice-president of the Central Party School who served as deputy director of the Party’s Central Policy Research Office, stated as follows: China will ultimately turn its strengths—e.g., the strengths of China’s development, the strengths of its system of socialism with Chinese characteristics, and the strengths of the Party’s governance—

⁸² Xi Jinping, “坚持以新时代中国特色社会主义思想为指导 努力开创中国特色大国外交新局面 [Using the Thought on Diplomacy for New-Era Socialism with Chinese Characteristics as a Guide to Create a New Landscape in Major-Country Diplomacy with Chinese Characteristics]” (June 22, 2018), in Xi Jinping, 论坚定构建人类命运共同体, p. 538.

⁸³ The Regulations on the Work of the Central Committee of the Communist Party of China were promulgated at the end of September 2020. In order to strengthen “the authority and centralized, unified leadership of the Party’s Central Committee with Comrade Xi Jinping at the core,” the regulations make comprehensive stipulations, including but not limited to leadership status, leadership system, functions and powers, and policy arrangements of the general secretary and other organs of the Party’s Central Committee. “中国共产党中央委员会工作条例 [Regulations on the Work of the Central Committee of the Communist Party of China],” *Renmin Ribao* [People’s Daily], October 13, 2020.

⁸⁴ Tang Aijun, 中国道路与中国话语 [China’s Path and China’s Discourse] (Beijing: Shehui Kexue Wenxian Chubanshe [Social Sciences Academic Press], 2020), Chapter 5.

⁸⁵ “中共中央关于坚持和完善中国特色社会主义制度 推进国家治理体系和治理能力现代化若干重大问题的决定 (2019年10月31日中国共产党第十九届中央委员会第四次全体会议通过) [Decision of the Central Committee of the Communist Party of China on Several Major Issues concerning Upholding and Improving the System of Socialism with Chinese Characteristics and Modernizing the State Governance System and Governance Capacity (Adopted at the Fourth Plenary Session of the 19th Central Committee of the Communist Party of China on October 31, 2019)],” *Renmin Ribao* [People’s Daily], November 6, 2019.

into the strengths of China's discourse in the international community.⁸⁶ This is because “without promoting the reconstruction of the global discourse system, China cannot move to building a new order with global justice.”⁸⁷

China has embarked on strengthening its domestic governance system founded on values which are different from those of democracies, and on this basis, building new international institutions. This is bound to erode the affinity of China's institutions with the economic elements of the liberal international order. The Xi Jinping leadership's attempt to shape the international order can be seen as an endeavor to convert China's unique values and their underlying domestic institutions into what Hedley Bull calls common values and a common set of rules. Under Xi's decade in power, China is now presenting more fundamental challenges to the liberal international order.

⁸⁶ He Yiting, “中华民族伟大复兴与中国话语的崛起 [The Great Rejuvenation of the Chinese Nation and the Rise of China's Discourse],” *Xuexi Shibao* [Study Times], September 27, 2019. For a comprehensive overview of the institutional strengths of China's political and governance system, see Zhang Zhanbin et al., 制度制胜：中国国家治理的制度优势 [Institutional Victory: The Institutional Strengths of China's National Governance] (Beijing: Zhonggong Zhongyang Dangxiao Chubanshe [Central Party School Press], 2020).

⁸⁷ He Yiting, “习近平新时代中国特色社会主义思想与中国话语建构 [Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era and the Construction of China's Discourse],” *Xuexi Shibao* [Study Times], October 28, 2020.