

CHINA AND GLOBAL GOVERNANCE

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China's development has enormous implications for how the world is governed. The sheer size of the country means the effect of its activities inevitably spills over its borders. Beyond that, there is evidence that the Chinese government has taken an active role in a number of policy areas to defend China's expanding national interest and to strengthen its status in the world. As China's economy and its political ambition continue to grow, so will its influence around the world. In this article, we examine Chinese views and practices with regard to global governance. We also discuss the major factors that will shape the future of China's involvement in global governance.

Key words: China, global governance, global finance, Chinese foreign policy, international system

Introduction

Global governance is a vague and amorphous concept. Broadly speaking it refers to the complex of institutions and processes that govern how things happen in the world. In its origin, "global governance" was intended to express something that could be distinguished from "global government," i.e., a legitimate authoritative organized power (as yet nonexistent) governing the world.¹

1. See James N. Rosenau and E. O. Czempiel, eds., *Governance Without*

Compared to a global government, global governance refers to something less permanently established, more fluid, something continually in process of being constructed and reconstructed.

Global governance, as it is commonly understood today, has three distinctive features. First, the term highlights the global scale of many of the world's pressing issues, such as economic interdependence, migration, financial crises, drug trafficking, environmental degradation, and various health pandemics. Second, it emphasizes that while governments continue to perform important functions, non-state entities have become significant actors in making demands, framing goals, issuing directives, and pursuing policies, thus shaping how the world is governed. Third, it presumes the validity of a number of norms of "good governance" rooted in Western experience, such as market competition, human rights, democracy, transparency, accountability, and rule of law. While the idea of a world government has lost its appeal, the notion of global governance has gained a great deal of currency in recent years.

The development of China's economy has enormous implications for how the world is governed. The sheer size of the country means the effect of its activities inevitably spills over its borders. For instance, China's rise as a trading power has begun to reshape the rules and practices of world trade. Its rapidly growing consumption of energy and raw materials is changing prices and access to these resources. And the worsening of pollution and ecological degradation in China has a profound impact on the global environment. Beyond these unintended spillover effects of China's economic development, there is evidence that the Chinese government has taken an active role in a number of policy areas to defend China's expanding national interest and to strengthen its influence in the world. China's position on controversial issues, ranging from human rights to

Government (Cambridge: Cambridge University Press, 1992) and David Held, Anthony McGrew, David Goldblatt, and Jonathan Perraton, *Global Transformations: Politics, Economics and Culture* (Cambridge: Polity Press, 1999).

climate change, shows a readiness to purposefully shape global governance according to China's own preferences.

As China's economy continues to grow and as its political ambition continues to develop, so will its influence around the world. What role will China play in global governance? In this article, we seek to shed some light on this question by examining Chinese views and practices with regard to global governance. As a background, we briefly review the changing relationship between China and the international system. Next, we analyze Chinese views of the concept of global governance. The following section examines China's conception of its role in global governance and its recent policy initiatives regarding the global finance. In the conclusion, we briefly discuss the factors that will shape the future of China's involvement in global governance.

China and the International System

From the founding of the People's Republic of China (PRC) in 1949 to the beginning of economic reforms in the late 1970s, China's foreign relations focused first on the socialist bloc and then on the Third World. Political alienation marked China's relationship with Western countries and the mainstream international system they dominated.² It is only during the reform era that China has gradually joined the mainstream international system.

The story of China's integration with the international economy is a familiar one. As Nicholas Lardy points out, soon after China began to open its door, its trade and foreign direct invest-

2. This is discussed in Yongjin Zhang, *China in International Society since 1949: Alienation and Beyond* (New York: St. Martin's Press, 1998). Also, we refer to the West-dominated international system as mainstream in the sense that most international interactions and most international organizations were to be found in that system. China's non-membership in the United Nations until 1971 and its low profile in the UN until the 1980s were symbolic manifestations of its estrangement from the mainstream international system.

ment (FDI) policies became far more liberal than Japanese and Korean policies when the latter two countries were at a comparable stage of development.³ Since then China has become one of the biggest trading powers in the world and a top destination of FDI. Meanwhile, around the early 1980s, China joined a number of key international economic organizations, including the International Monetary Fund (IMF) and the World Bank. In the mid-1980s, the Chinese government began to negotiate membership in the GATT (General Agreement on Tariffs and Trade).⁴

In addition to reconnecting with the international economic system, China's open policy also led it to rejoin the broader international community. Cultural and educational exchanges have flourished between China and the rest of the world. The Chinese government has actively coordinated its policies with other countries, such as on security issues, humanitarian relief, and environmental protection. A number of studies show that China has come to accept the prevailing international rules and norms in various issue areas.⁵ Moreover, China's interaction with the international community has led to profound changes at home. The "shallow integration" in the form of growing flows of goods, capital, services, and people has evolved into so-called "deep integration," involving regulatory changes in China inspired by its interactions with the international system.⁶

Alongside China's integration with the world economy and community, Chinese views of the nature of the international order and China's place therein have changed. During the 1950s, the Chinese saw the world as divided between the socialist and

3. Nicholas Lardy, *China in the World Economy* (Washington, D.C.: International Institute of Economics, 1994).

4. Harold Jacobson and Michel Oksenberg, *China's Participation in the IMF, the World Bank, and GATT* (Ann Arbor, Mich.: University of Michigan Press, 1990).

5. For a collection of essays making this argument, see Elizabeth Economy and Michel Oksenberg, eds., *China Joins the World* (New York: Council on Foreign Relations, 1999).

6. The distinction between "shallow integration" and "deep integration" in this sense is made in Susan Shirk, *How China Opened Its Door* (Washington, D.C.: Brookings Institution, 1994).

the capitalist camps; it positioned itself firmly in the socialist camp led by the Soviet Union. From the 1960s to the late 1970s, the Chinese worldview was guided by Mao Zedong's theory of the three worlds—the First World of the two superpowers, the Second World of other developed countries, and the Third World of developing countries. The Chinese leaders regarded China as part of the Third World and as a leader of the Third World. From the late 1940s to the late 1970s China stayed outside the mainstream international system dominated by Western powers, a system that almost completely denied the PRC its legitimacy and was in turn viewed as illegitimate by the Chinese. Under the Maoist regime, China saw itself as a victim of imperialism and a bastion of world revolution.⁷ The Chinese government constantly tried to challenge the existing international order not only by its own example of defiance, but also by supporting revolutionary forces in other countries.⁸

With the onset of reforms, the Chinese view of the international order began to change. Chinese reformers ceased to see the existing international system as a target for revolution. Instead, they came to see it as a structure of opportunities in which China should take part. In this context, China gradually redefined itself from a revolutionary power dedicated to destroying the current international system to a limited participant in that system. As Samuel Kim puts it, China abandoned its radical system-transforming approach to adopt a system-reforming and then a system-maintaining approach.⁹

In the 1980s China steadily increased its interactions with the international system, especially in the economic realm. But it

7. For an examination of China's self-conception in the early years of the People's Republic, see Hongying Wang, "National Image Building and Chinese Foreign Policy," *China: An International Journal*, vol. 1, No. 1 (2003), pp. 46-72.

8. See Zhang, *China in International Society since 1949*, and Peter Van Ness, *Revolution and Chinese Foreign Policy: Peking's Support for Wars of National Liberation* (Berkeley, Calif.: University of California Press, 1970).

9. Samuel Kim, "China and the United Nations," in Economy and Oksenberg, eds., *China Joins the World*, p. 45.

remained dubious toward the prevailing international norms in the economic realm. Even as China actively sought to expand its exports and FDI under the existing international economic regimes, it continued to adopt the rhetoric in favor of a New International Economic Order, which had been set forth by the Group of 77 in 1974 with demands for a more equitable and just distribution of resources and wealth in the world. In fact, while China's membership in international organizations steadily increased during this decade, it still fell short of the expected rate for a country of its development level.¹⁰

Since the 1990s China has more fully embraced the international order. This new attitude has been manifested in major changes in China's foreign policy. For example, China signed and ratified the UN human rights covenants and the Kyoto Protocol on climate change. The Chinese government has made costly commitments to gain membership in the World Trade Organization (WTO). And China has become a de facto partner of the Group of 8 (G-8). These initiatives would have been hard to contemplate only a decade or two before. They represent a significant move on the part of the Chinese government toward identifying with the existing international system.

Some observers attribute China's accommodating attitude toward the international order to its socialization by the prevailing international norms.¹¹ Others see China's active participation in international regimes as its strategy to reduce the security dilemma created by China's rising power¹² and to avoid becoming a target of balancing by other countries in the world.¹³ But

10. Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security*, vol. 27, No. 4 (2003), pp. 5-56.

11. Alastair Iain Johnston, *Social State* (Princeton, N.J.: Princeton University Press, 2006).

12. Zhu Dawei, "'Heping Jueqi' Zhanlue yu Zhongguo de Guoji Zhidu Canyu" (The Strategy of "Peaceful Rise" and China's Participation in International Regimes), *Jishou Daxue Xuebao* (Journal of Jishou University), May 2008, pp. 88-92.

13. Wang Xuedong, *Waijiao Zhanlue zhong de Shengyu Yinsu Yanjiu* (A Study of the Reputation Factor in Foreign Policy Strategies) (Tianjin: Tianjin Renmin Chubanshe, 2007).

most importantly, it has resulted from a consensus among Chinese policy circles that in the age of globalization, China has no choice but to integrate itself with the rest of the world in order to modernize itself, and that China's participation in the global economic system has been largely beneficial to China's national interest. Whatever the underlying reasons may be, it is clear to all that China has evolved from a revolutionary to a stakeholder of the existing international system. It is in this context that the concept of global governance has entered Chinese consciousness and discourse. The next section examines Chinese views of governance.

Chinese Views of Global Governance

"Global governance" is a relatively new concept. The earliest discussion of global governance by a Chinese scholar that we have encountered appeared in a report by Wang Yizhou in a 1995 conference commemorating the 50th anniversary of the UN held at La Trobe University in Melbourne, Australia. He reported an impression that the UN was going to be the center of global governance in areas ranging from peacekeeping and peacebuilding to preventive diplomacy.¹⁴ Since then global governance has come to be widely used and debated by Chinese scholars as well as policy analysts.

Principal Issues in Debate

Since the idea of global governance has been imported to China from the West, Chinese understanding of this concept relies heavily on their reading of Western academic writings and of the reports and declarations of major international organizations such as the World Bank, the Organization for Economic Cooperation and Development (OECD), the UN Development

14. Wang Yizhou, "Lianheguo Yanjiu zhong de Ruogan Zhongdian he Dongxiang" (Several Foci and Directions of UN Studies), *Zhanlue yu Guanli* (Strategy and Management), No. 6 (1995).

Program (UNDP), and the UN Educational, Scientific, and Cultural Organization (UNESCO). Chinese analysts trace the rise of this concept to the establishment of the Commission on Global Governance in 1992 and the appearance of the journal *Global Governance* in 1993. Thus far the Chinese have only partially embraced the dominant Western interpretation of global governance, including the necessity of global management of global problems, the importance of non-state actors as well as states, and the underlying norms of good governance.

First, Chinese analysts agree with the view that many problems of the world today are global in scale, affecting nations with different sociopolitical systems and ideologies. They believe that given global problems such as environmental degradation, transnational crime, and financial crises, governance at the global level is necessary. They also believe that new communications technologies have made global governance possible. Second, they accept the idea that governance is not only carried out by governments but also by non-state actors, such as nongovernmental organizations (NGOs), multinational corporations (MNCs), interest groups, and social movements. These actors are interdependent and work together to solve the world's pressing problems. And finally, they recognize widely shared values of global governance, such as human rights, democracy, and the rule of law, that are promoted by Western governments, major international organizations, and the global civil society. They are cognizant of the distinction between governance and government in that in contrast to the hierarchical nature of government, governance is carried out through negotiation and coordination in a democratic fashion.¹⁵

However, not all Chinese analysts share a positive view of the desirability and feasibility of global governance. Some are

15. See, for example, Yu Keping, "Jingji Quanqiu hua yu Zhili de Bianqian" (Economic Globalization and the Transformation of Governance), *Zhexue Yanjiu* (Studies in Philosophy), No. 10 (2000), pp. 17-24, and Chen Shaofeng and Li Yonghui, "Quanqiu Zhili ji qi Xiandu" (Global Governance and Its Limits), *Dangdai Shijie yu Shehui Zhuyi* (Contemporary World and Socialism), No. 6 (2001), pp. 57-61.

critical of the concept. They argue it is based on the illusion of a global village. In their view, sovereign states, each pursuing its own national interests, are still the most important actors on the world stage. They believe the interests of great powers and the principle of power politics continue to dominate world politics.¹⁶ Furthermore, they object to the suggestion that global governance is inherently democratic. They believe that the notion of global governance and its variations, such as good governance, democratic governance, and effective governance, which have been promoted by the World Bank and other international institutions, are nothing but neo-liberalism dressed up as idealism. The implicit proposition that the West will bring good governance to the rest of the world while the rest of the world will give up national sovereignty in exchange is a reflection of West-centrism and European superiority. They argue that the development of the South must come from within each developing country rather than intervention by outside forces.¹⁷ The concern over foreign intrusion is widely shared. Even scholars favorably disposed to global governance point out that this concept could be used by Western countries and MNCs to justify their hegemony and their interference in the domestic politics of other countries.¹⁸

Second, on the question of who should conduct global governance, while Chinese analysts recognize the coexistence of state and non-state actors, they are strongly state-oriented. Their attention focuses first and foremost on international organizations. China's approach to international organizations has changed significantly over time. During the Maoist era, China treated interna-

16. Cai Tuo, "Quanqiu Zhili de Zhongguo Shijiao yu Shijian" (Chinese Perspective of and Practice in Global Governance), *Zhongguo Shehui Kexue* (Social Sciences in China), No. 1 (2004), pp. 94-106.

17. Tang Xianxing, "Quanqiu Zhili: Yige Cuiruo de Gainian" (Global Governance: a Weak Concept), *Guoji GuanCha* (International Outlook), No. 6 (1999), pp. 21-24, and Tang Xianxing, "Quanqiu Zhili yu Disan Shijie de Biange" (Global Governance and Reforms in the Third World), *Ouzhou* (Europe), No. 3 (2000), pp. 4-11.

18. See, for example, Yu, "Jingji Quanqiuhua yu Zhili de Bianqian."

tional organizations with a great deal of skepticism. For instance, until the early 1970s, the Chinese government often criticized the UN as a facade and instrument of Western domination of the world. In 1965, it even called for an alternative “revolutionary United Nations.”¹⁹ To the extent China sought connections with some international organizations, it was mainly an effort to seek international recognition. The Chinese government did not see international organizations as partners, but instead as targets of its “united front” strategy.

Under Deng Xiaoping, China’s position changed. It sought to use international organizations for its domestic reforms and modernization. For example, it sought and received financial and technical aid from the IMF, the World Bank, the UNDP, and the Asian Development Bank. In the post-Deng era, China’s approach to international organizations has evolved again. With its economy growing, China is increasingly eager to improve its status and shape international events. Since the 1990s China has expanded its participation in international organizations as a way to increase its voice in world affairs. China’s official textbook on international organizations states that as a major power in the international community, China must work with the UN and other international organizations to make effective contributions to the world.²⁰

More than any other international organization, Chinese analysts favor the UN as the center of global governance.²¹ This is also the official position of the Chinese government. This is not surprising given the long history and universal nature of the UN and given China’s privileged position at the UN Security Council

19. Kim, “China and the United Nations,” p. 45.

20. Wang Yizhou, “Zhongguo yu Guoji Zuzhi Guanxi Yanjiu de Ruogan Wenti” (Issues in the Study of China’s Relationships with International Organizations), *Shehui Kexue Luntan* (Social Science Forum), No. 8 (2002), pp. 4-13.

21. See, for example, Wang, “Zhongguo yu Guoji Zuzhi Guanxi Yanjiu de Ruogan Wenti,” and Lu Youzhi and Zha Junhong, “G7/G8 Jiaose Zhuanxing yu Quanqiu Zhili” (The Role Transformation of G7/G8 and Global Governance), *Xiandai Guoji Guanxi* (Contemporary International Relations), No. 12 (2001), pp. 18-22.

since the People's Republic gained its seat in 1971. These analysts argue that the UN plays a unique role in the construction of a new international political and economic order, a role no other actor could play, even though the UN itself needs to be reformed. In their view UN reforms should include improving its authority and efficiency, enhancing its developmental functions in addition to its traditional security functions, refraining from linking aid with political conditions, strengthening the regulation of international capital flows, and expanding the participation of developing countries in decision making.²²

In addition, in recent years the Chinese have come to see regional organizations as important components of global governance. They argue that globalization brings about positive and negative effects on countries whether those countries like it or not. Regional organizations can help some countries better confront the difficulties they encounter under globalization. Countries can pick and choose the regional arrangements that best serve their national interest. As a result, they can promote cooperation in global governance.²³ Chinese analysts stress that the new regionalism of the 21st century, exemplified by 10+3 (the ten-member Association of Southeast Asian Nations plus China, Japan, and South Korea) and APEC (Asia-Pacific Economic Cooperation), is open and non-zero sum. They see regionalism as a governance framework highly compatible with globalization.²⁴ They also note that regional organizations can aggregate the interests of developing countries, making their collective demands stronger than their individual voices.²⁵

22. Wu Miaofa, "Zhongguo Zai Lianheguo de Dingwei he Lianheguo Gaige" (China's Role in the UN and UN Reform), *Sixiang Lilun Jiaoyu Daokan* (Primer on Ideological Theory Education), No. 10 (2006), pp. 57-61.

23. Deng Lansong, "Quyue Zuzhijhua yu Zhongguo" (Regionalization and China), *Shijie Jingji Yanjiu* (World Economic Studies), No. 9 (2004), pp. 80-83.

24. Pan Guang and Dai Yichen, "Ya-Ou Huiyi yu Yatai Diqiu Zuzhi de Hudong Guanxi" (Interactions between ASEM and APEC), *Guoji Wenti Yanjiu* (International Studies), No. 5 (2006), pp. 30-35.

25. Li Xuefeng, "Qianxi Quyue Zuzhijhua dui Lianheguo Gaige de Yingxiang" (Preliminary Analysis of the Impact of Regionalization on UN Reforms),

Besides international organizations, China's perception of NGOs in global governance has undergone a sea change. In the past, China paid little attention to international nongovernment actors. But in recent years, Chinese analysts have shown great appreciation of their role in global governance. They admit that globalization has weakened and changed nation-states and national governments, reducing their role in global governance. Global civil society has become increasingly important in the governance of global issues, such as poverty, inequality, climate change, transnational crime, and global epidemics.²⁶ On the one hand, they note that international organizations, such as the UN and the G-8, have opened their doors to collaborate with various NGOs.²⁷ On the other hand, they are aware of the rise of anti-globalization social movements around the world and the alternative global governance principles they represent. Some see those movements as a necessary component of global justice.²⁸ But others are more cynical. They believe that only those social movements that happen to share the interests of the most powerful states can have some effectiveness while most social move-

Xin Xuanze (New Choices), No. 8 (2006), pp. 142-43.

26. See, for instance, Yu, "Jingji Quanqiuhua yu Zhili de Bianqian," and Zhou Jun, "Quanqiu Gongmin Shehui zai Zhili Jiegou zhong de Zuoyong ji qi Xiandu" (Global Civil Society's Role in Governance and Its Limitations), *Makesizhuyi yu Xianshi* (Marxism and Reality), No. 1 (2008), pp. 94-100.
27. Zhao Liqing, "Yingdui Feizhengfu Zuzhi Canyu de Lianheguo Gaige" (Response to UN Reforms Involving NGOs), *Xin Yuanjian* (New Vision), No. 7 (2008), pp. 27-38; Yang Yang, "Lianheguo yu Feizhengfu Zuzhi jian de Zhili Moshi" (The Governance Model Between the UN and NGOs), *Guoji Guanxi Xueyuan Xuebao* (Journal of the College of International Relations), No. 1 (2008), pp. 32-38; and Gong Wei and Zhao Chunzhen, "Shimin Shehui Canyu G7/G8 de Licheng, Moshi ji Yingxiang" (The Process, Models, and Impact of Civil Society Participation in the G7/G8), *Guoji Guanqia*, No. 4 (2008), pp. 32-38.
28. See, for instance, Wang Tiejun and Zhang Jingna, "Quanqiu Zhili, WTO yu Kuaguo Gongmin Shehui" (Global Governance, WTO and Transnational Civil Society), *Shandong Daxue Xuebao* (Journal of Shandong University), No. 6 (2003), pp. 156-60; and Li Dan, "NGO, Fan Quanqiuhua Yundong yu Quanqiu Zhili" (NGOs, Anti-Globalization Movement, and Global Governance), *Dongnan Xueshu* (Southeast Academic Research), No. 1 (2006), pp. 58-64.

ments are quite peripheral to global governance.²⁹ Chinese analysts argue that NGOs are too divided and diverse to form a united and independent force and that they may be used by governments and powerful interest groups in the North. But despite that, they believe that either as a partner or as a challenger of international organizations, global civil society has become a major factor in global governance.³⁰

“Harmonious World” as an Alternative Norm

Third, what should be the norms of global governance? As mentioned above, some Chinese analysts are suspicious of the so-called principles of good governance such as market competition, human rights, democracy, transparency, accountability, and rule of law prescribed by Western powers and the international organizations they dominate. In recent years, the Chinese government has put forward its own vision of global governance under the concept of a “harmonious world” (*hexie shijie*).

The phrase “harmonious world” first officially appeared in a joint declaration that the Chinese government issued with Russia in October 2004.³¹ In April 2005 Chinese President Hu Jintao again mentioned this concept at the Asia-Africa Conference in Jakarta. But the most important landmark was Hu’s speech at the celebration of the 60th anniversary of the UN in September 2005, entitled, “Strive to Establish a Harmonious World of Lasting Peace and Common Prosperity.” This concept was later reiterated and elaborated in a Chinese government white paper of December 2005, *China’s Passage of Peaceful Development*, in Hu’s speech at Yale University in April 2006, and at an important foreign-policy

29. For example, see Hu Jian, “Quanqiu Shehui Yundong de Xingqi ji qi dui Quanqiu Zhili de Yingxiang” (The Rise of the Global Social Movement and Its Impact on Global Governance), *Guoji Luntan* (International Forum), No. 1 (2006), pp. 1-5.

30. Wang and Zhang, “Quanqiu Zhili, WTO yu Kuaguo Gongmin Shehui.”

31. The basic ideas contained in the concept—mutual respect, common development, confidence building, and cultural tolerance—were already present in Jiang Zemin’s speech to the 16th CCP Congress in 2002.

working conference of the Chinese Communist Party (CCP) Central Committee in August 2006.

From the Chinese point of view, the current international order has several major problems including the dominance of power politics, growing disparity between the North and the South, intolerance of different values, a tendency to resort to force to solve international conflicts, and neglect of environmental degradation. As a self-appointed internal critic of such an order, China advocates reform of the current state of global governance. The concept of a “harmonious world” consists of four principles of global governance reform.

The first principle is democratization of international relations. One of China’s major criticisms of the existing state of global governance is its “undemocratic” nature. Democracy means different things to different people.³² The Chinese understanding of “democracy” in the context of international relations seems to refer to equitable participation of countries (represented by their governments) in international affairs and broad consultation with different countries when dealing with common international problems. Chinese commentators are critical of the fact that powerful international institutions, especially international economic organizations, have long been dominated by a small group of Western industrialized countries. Not surprisingly, these organizations have been at the service of the most powerful nations while the interests of the majority of developing countries in the world have been ignored. The Chinese proposal for a “harmonious world” calls for international organizations to overcome their democratic deficit, enhance their transparency, and expand the opportunities for new actors (e.g., civil society)

32. In general, it means rule of the people. But there is no agreement as to how to aggregate people’s will and turn it into policies. For example, the democracy of ancient Athens involved the public directly (in practice, just the propertied male members of the public), gathering and making decisions together. The common American definition of democracy focuses on competitive elections. The Leninist version of democracy allows the vanguard party to represent what the people “should want” or would want if only they knew themselves better.

to participate.³³

Chinese analysts are also unequivocal about their objection to the unilateral foreign policy of the United States, which they identify with hegemony and power politics. They see the power politics practice of the United States as the main obstacle to effective global governance in a number of areas, such as the arms race in space, conflict over the North and South Poles, and global warming.³⁴ They argue that a crucial factor in reforming global governance is to turn the United States into a “normal” country that abides by international law and treats other countries in a democratic fashion.³⁵

The second principle of a “harmonious world” is justice and common prosperity. Chinese commentators share a consensus that globalization thus far has greatly increased the North-South disparity. International trade, global capital flows, and the information revolution have disproportionately benefited the developed countries. China argues that the growing economic inequality between the rich and the poor countries is not only unjust, it also undermines peace and stability. The Chinese vision of a “harmonious world” calls for shared development and common prosperity among different countries. This requires the industrialized nations to take more responsibility by opening their markets to the developing countries, transferring technology, providing more aid, and forgiving debt. It also requires the developing countries to engage in South-South cooperation and to realize their full development potential. In this context, the Chinese policy makers and scholars have frequently and explicitly opposed trade protectionism on the part of Western industrialized countries. The Chinese are critical that Western countries demand that developing countries open their market to foreign

33. Sun Hui and Yu Yu, “Guoji Zhengfu Zuzhi yu Quanqiu Zhili” (International Government Organizations and Global Governance), *Tongji Daxue Xuebao* (Journal of Tongji University), No. 5 (2004), pp. 48-53.

34. Yin Chengde, “Shijie Xin Redian yu Quanqiu Zhili Xin Tiaozhan” (New Hot Spots in the World and New Challenges for Global Governance), *Guoji Wenti Yanjiu*, No. 5 (2008), pp. 1-7.

35. Lu and Zha, “G7/G8 Jiaose Zhuanxing yu Quanqiu Zhili.”

goods and capital while they restrict imports and investment from the developing countries. They argue that such policies violate the very market principles preached by the West. Reforming global governance means doing away with such double standards and creating opportunities for all countries to gain from economic globalization.³⁶

The third principle of a “harmonious world” is diversity and tolerance. Chinese analysts note that globalization has not only brought about a high level of economic interdependence among different countries; it has also led to the spread of Western ideas and ideologies in many parts of the world. Sometimes this has taken the form of cultural imperialism. China, along with many other non-Western countries, has often found itself under attack from advocates of Western economic models (e.g., the so-called Washington Consensus) and political systems (e.g., American style democracy). The Chinese government has gone out of its way to emphasize that countries have different histories, cultures, and economic situations and that nobody should impose one’s own values and models on other countries. In fact, Chinese leaders and analysts point out that the plurality and diversity of civilizations make the world a better and richer place. They are particularly adamant that each country has the right to choose its own development model and political system. They argue that civilizations must coexist and learn from one another.³⁷ Chinese scholars stress that harmony does not mean sameness. Harmony refers to reconciliation amidst differences (*he er bu tong*).³⁸ A “harmonious world” is a place where various

36. Li Zhongzhou, “Quanqiu Zhili ying Chongfen Kaolu Quanqiu Jingji Liyi” (Global Governance Should Adequately Consider Global Economic Interests), *WTO Jingji Daokan* (China WTO Tribune), No. 7 (2008), p. 95.

37. Hu Jintao, “Nuli Jianli Chijiu Heping, Gongtong Fanrong de Hexie Shijie” (Strive to Establish a Harmonious World of Lasting Peace and Common Prosperity), *Renmin Ribao*, September 16, 2005.

38. Yu Keping, “Hexie Shijie yu Quanqiu Zhili” (A Harmonious World and Global Governance), *Zhonggong Tianjin Shiwei Dangxiao Xuebao* (Journal of the Tianjin Municipal Chinese Communist Party School), No. 2 (2007), pp. 5-10.

civilizations have equal opportunities to develop.

The fourth principle of a “harmonious world” is the peaceful resolution of international conflicts. In addition to the routine reference to the Five Principles of Peaceful Coexistence, which Chinese Premier Zhou Enlai first proposed in 1953 and which have since been a fixture of Chinese foreign-policy discourse, officials and scholars have adopted a series of new phrases, including “a new security concept,” “common security,” “collective security,” and “confidence building” to describe China’s new approach to international security. Chinese officials and analysts often criticize traditional thinking about national security characterized by geopolitical considerations, especially what they call “the cold war mentality.” Citing recent events such as the Asian financial crisis in 1997, the SARS crisis in 2002, and the terrorist attack on September 11, 2001, they argue that many of the threats faced by countries today are transnational and global, hence cannot be dealt with effectively by individual countries or by the use of force. Therefore, they argue, different countries must develop new ways to address the common security of the world based on mutual trust and cooperation.³⁹ In particular, the Chinese government and Chinese scholars stress the continued importance of the UN and its Security Council in multilateral diplomacy and the maintenance of world peace.

Some Chinese analysts see China’s “harmonious world” concept as having much in common with Western theories of global governance. For instance, both adopt a global perspective, treating problems such as environmental degradation, drug trafficking, epidemics, and terrorism as global in scope and in need of global solutions. Both appreciate the role of international regimes. And both propose universalistic values, i.e., values that transcend nationality, race, ethnicity, religions and ideologies. They include respect for life, freedom, justice, fairness, and mutual assistance.⁴⁰

39. Liu Turaο and Wang Yufei, “Lun Woguo Changdao de Xin Guojia Anquanguan” (On the New Security Concept Advocated by Our Country), *Lilun Tansuo* (Theoretical Explorations), No. 1 (2006), pp. 135-38.

40. Wu Meixing, “Hexie Shijie: Quanguo Zhili de Zhongguo Quanshi” (A Harmonious World: China’s Interpretation of Global Governance),

But other analysts argue that there is a fundamental distinction between harmony and governance. For them, harmony recognizes and tolerates differences while governance assumes common values. Harmony calls for equal participation by different actors while governance seeks to impose Western rules on the rest of the world.⁴¹

China's Role in Global Governance

Until recently, the Chinese have only paid attention to China's integration with the world and not given much thought to their role in global governance.⁴² In its effort to join the world, China has greatly expanded its membership in a variety of international (i.e., inter-governmental) and transnational (i.e., nongovernmental) organizations. In 1977 the People's Republic had membership in twenty-one international organizations. By 1996 this number had risen to fifty-one. During the same period of time, Chinese organizations expanded their memberships in transnational organizations from seventy-one to 1,079.⁴³ This trend has continued since. According to a recent report issued by the Chinese Academy of Social Sciences, by 2003 China had become a member of 298 international organizations and Chinese organizations had become members of 2,659 transnational organizations.⁴⁴ However, until recently, China had kept a low profile in these organizations, including the various UN agencies, seldom expressing its opinions about the major issues confronting the interna-

Jinan Xuebao (Jinan Journal), No. 4 (2007), pp. 43-45.

41. See, for example, Wu Xingtang, "'Quanqiu Zhili' de Zhiyixing Jiedu" (A Skeptical Reading of Global Governance), *Dangdai Shijie* (Contemporary World), No. 12 (2007), pp. 41-43.

42. Pang Zhongying, "Zhongguo zai Guoji Tixi zhong de Diwei yu Zuoyong" (China's Status and Role in the International System), *Xiandai Guoji Guanxi*, No. 4 (2006), pp. 17-22.

43. Kim, "China and the United Nations," p. 49.

44. Li Shenming and Wang Yizhou, *2007 Quanqiu Zhengzhi yu Anquan Baogao* (2007 Global Political and Security Report), Beijing: Shehui Kexue yu Wenxian Chubanshe, 2007.

tional system.⁴⁵

This is understandable on several grounds. First, at the time when China returned to the international system, it was a relatively poor and weak nation. It sought to benefit from the resources of international organizations rather than to reshape them. Second, as a relative newcomer the Chinese government lacked knowledge of the existing rules and mechanisms of various international regimes, let alone the capacity to reshape them. Finally, in the shadow of the so-called “China threat” perception that rose in the 1990s, Chinese leaders were reluctant to take an active position on many international issues. They went out of their way to emphasize that China’s rise was and would continue to be peaceful.⁴⁶ But with the continued growth of the Chinese economy and with China’s deeper integration into the international system, the tendency to keep a low profile in various international situations changed. Indeed, some Chinese analysts argue that given China’s new power, the old strategy of “hiding one’s brilliance and improving one’s internal strength” (*tao guang yang hui*) is no longer viable. They also argue that defining China as a status-quo power is unrealistic. The entrance of such a big country into the international system is bound to change it. China must seriously consider what role it should play in the world.⁴⁷

Recent policy discussions among Chinese analysts and policy initiatives by the Chinese government provide some clue as to the role China is considering for itself in global governance. First of all, it is clear that China does not aspire to create an alternative global governance system. In the early post-cold war era, a lively debate took place in China regarding the nature of the new international structure. After a brief period of speculation of an emerging multipolar world, Chinese policy makers and analysts concluded that with its preponderant hard and soft

45. Kim, “China and the United Nations.”

46. In 2003 the head of the influential Reform Forum in Beijing, Zheng Bijian, coined the phrase “China’s peaceful rise.” It has since been superseded by the even less threatening slogan of “China’s peaceful development.”

47. Pang, “Zhongguo zai Guoji Tixi zhong de Diwei yu Zuoyong.”

power the United States had become the only superpower in the world, with a host of other lesser power centers. The United States and its Western allies would continue to dominate the international system. Nearly two decades later, this basic assessment seems to continue to hold. Most analysts believe that China is simply not strong enough to challenge the existing international order.⁴⁸

Second, many Chinese commentators argue that while China is a stakeholder in the current international system, it must nonetheless play a role in reforming global governance. It must actively address the unreasonable and unjust components of the existing order, such as the unequal and undemocratic institutions and practices. China should put forward viable alternatives to improve the current system.⁴⁹ They note that the rise of China and other changes in the world present the Chinese with a rare opportunity to reshape—though not overthrow—the international order.⁵⁰

Indeed, these lines of thinking have been reflected in recent policy initiatives by the Chinese government. A good illustration can be found in China's evolving approach to the global financial structure.

China's Role in Reshaping Global Finance

Over the last three decades, the world has come to know China as the fastest growing economy and a formidable trading power. China's GDP in terms of purchasing power parity ranks

48. Hu, "Quanqiu Shehui Yundong de Xingqi ji qi dui Quanqiu Zhili de Yingxiang," and Tang Yongsheng, "Zhongguo Guoji Jiaose Fenxi" (An Analysis of China's International Role), *Xiandai Guoji Guanxi*, No. 10 (2006), pp. 52-59.

49. Pang, "Zhongguo zai Guoji Tixi zhong de Diwei yu Zuoyong," and Yu, "Hexie Shijie yu Quanqiu Zhili."

50. Men Honghua, "Daguo Jueqi yu Guoji Zhixu" (The Rise of Great Powers and International Order), *Guoji Zhengzhi Yanjiu* (International Politics), No. 2 (2004), pp. 133-42, and Zhang Wenwu, "Jianli Guoji Zhixu de Xin Linian" (New Concepts for Establishing International Order), *Xueshu Tansuo* (Academic Explorations), No. 6 (2005), pp. 73-80.

second in the world, and it is the third largest exporter. However, until recently China has been peripheral to the international financial system. Chinese banks have only a modest international presence. The Chinese currency—the renminbi (RMB)—is hardly circulated outside China. And China’s capital markets have little to offer to international financing.⁵¹ China’s voting power at the International Monetary Fund has long been disproportionately small compared to its relative weight in the world economy. Until 2006, it had 2.98 percent of the IMF vote while Belgium had 2.16 percent, even though China’s economy was six times larger in terms of nominal GDP and more than twenty times larger in terms of purchasing power parity. Until 1996, China was not even a member of the Bank of International Settlements, which sets standards and coordinates regulations for the world’s banking industry. Overall, China was not inclined or able to voice its positions on major governance issues in global finance. It was clearly a rule taker rather than a rule maker in this area.

But this is changing due to two coincidental developments in the last couple of years. The first development is China’s new prominence as an international creditor. Since China became a net international creditor in 2003, its net foreign assets have increased dramatically, totaling over \$1 trillion by the end of 2007. Meanwhile, its foreign exchange reserves reached \$2 trillion in 2008. In 2007 the Chinese government created a new sovereign wealth fund—the China Investment Corporation (CIC)—to invest about \$200 billion of its foreign exchange reserves at home and abroad. The Chinese government has significantly increased its inter-governmental loans to other countries as well as its foreign aid. These developments have greatly elevated China’s potential influence in the international financial system.⁵²

51. For an analysis of China’s limited role in the international financial system, see Paul Masson, Wendy Dobson, and Robert LaFrance, “China’s Integration into the Global Financial System,” *Bank of Canada Review*, Summer 2008, pp. 17-29.

52. See Gregory China and Eric Helleiner, “China as a Creditor: A Rising Financial Power?” *Journal of International Affairs*, vol. 62, No. 1 (Fall-Winter, 2008), pp. 87-102.

The other development, which has only highlighted China's new status in global finance, has been the financial meltdown that began in the United States in 2007 and has since spread to many countries. As financial institutions in the United States and other countries collapsed under the weight of sub-prime loans and other fiascos, and as the world fell into the worst economic recession since the Great Depression, China has remained one of the few islands of stability. Its financial industry appears to be much less vulnerable to the turmoil sweeping much of the globe than its counterparts in other countries. Its economy has continued, to grow albeit at a slower pace than before. China's financial strength can be seen in its pledge in late 2008 of \$586 billion in spending on infrastructure projects at home and its contribution of \$40 billion to reinforce the IMF in 2009.

The relative robustness of the Chinese economy at a time of global recession has seriously undermined the hegemony of neoliberal orthodoxy and enhanced belief in the superiority of the Chinese development model. A few years ago, a Western observer coined the phrase, "Beijing Consensus," in contrast to the "Washington Consensus," to characterize China's incremental reforms and continued state dominance in the economy.⁵³ Although Chinese officials and scholars have rejected the phrase "Beijing Consensus" because it implies universal applicability, they have not hesitated to express pride in China's unconventional development experience. They have become more vocal in recent months. For instance, in June 2009, the head of the China Banking Regulatory Commission, Liu Mingkang, told the West that it could learn from China's prudential banking regulation.⁵⁴

53. Joshua Cooper Ramo, *The Beijing Consensus* (London: Foreign Policy Center, 2004).

54. Liu Mingkang, "Basic Rules Helped China Sidestep Bank Crisis: What the West Could Learn from China's Firewalls," *Financial Times*, June 29, 2009. China is not alone in this type of interpretation of the crisis. French president Nicolas Sarkozy proclaims that the current crisis spells the demise of "Anglo-Saxon capitalism." Others insist that the crisis has vindicated the Asian approach to capitalism. See, for example, Kishore Mahbubani, "Lessons for the West from Asian Capitalism," *Financial Times*, March 19, 2009.

As the center of global attention, China has clearly gained a great deal of new confidence in its strategies of economic development, including the management of its financial system.

Faced with increasing expectations and opportunities and encouraged by its new self-confidence, the Chinese government has gradually and carefully increased its voice as a reformer of the international financial system. In October 2008 China hosted a forty-three-nation Asia Europe meeting. Under the spotlight, President Hu Jintao emphasized that China would act “with a sense of responsibility.” While China’s leaders suggested that China’s principal role in resolving the crisis was to sustain high growth at home, Vice President Xi Jinping put forth a call for balancing innovative financial products and supervising financial institutions.⁵⁵ After that meeting, China threw its support behind Europe’s push for new rules for financial markets on the assumption that poor regulation had led to the crisis.⁵⁶ This shows a new readiness on the part of China to participate in the making of new rules in financial governance. In the words of a European Union official, “they want a seat at the table in whatever is going to happen.”⁵⁷

True to its perennial call for more representation of the developing world in global governance, the Chinese government has taken advantage of the global financial crisis to promote the interests and voice of developing countries. In early 2009, Premier Wen Jiabao stated at the World Economic Forum in Davos: “The current crisis has fully exposed the deficiencies in the international financial system and its governance structure . . . Developing countries should have greater say in international financial institutions. . . . [There must be] a push for the establishment of a new world economic order that is just, equitable, sound, and stable.”⁵⁸ As a reflection of this orientation, the Chinese government has actively promoted international coordination involving the developing countries, such as the G-20, which includes

55. Reported in *Financial Times*, October 25, 2008.

56. *Financial Times*, October 27, 2008.

57. Reported in *Wall Street Journal*, October 27, 2008.

58. *Financial Times*, January 29, 2009.

the major industrialized countries and the largest developing countries. Indeed, in the last year the G-20 has overshadowed the G-7/G-8, the club of the wealthiest seven nations plus Russia, as a major forum for discussions on how to respond to the global financial crisis and how to reform the international financial regime. China has also reiterated its desire to see the IMF, the World Bank, and the Financial Stability Board increase the representation of developing countries, with the goal of shaping a new international financial order.⁵⁹

The boldest move by the Chinese government to date came from the governor of the People's Bank of China, Zhou Xiaochuan. In an essay posted on the website of the Chinese central bank in March 2009, Zhou criticized the dollar-denominated monetary system and suggested creating a reserve currency "that is disconnected from individual nations and is able to remain stable in the long run, thus removing the inherent deficiencies caused by using credit-based national currencies." Specifically, he proposed expanding the role of special drawing rights (SDRs) and expanding the currencies on which the SDRs are based, including the renminbi. China's proposal reflects its concern over its large holdings of dollar-denominated assets and the prospect of inflation in the United States in the future. The content of the Chinese proposal has generated support as well as criticisms.⁶⁰ But there is no doubt that putting forth such a proposal marks a major departure from China's traditional approach to global governance. Rather than being a rule taker, China is seeking to be a major rule maker. Alongside the proposal, the Chinese government has taken steps to promote the use of the RMB in Asia, including signing bilateral swap agreements totaling RMB650 billion (\$95 billion) and allowing selected companies in Hong Kong, Shanghai, and Guangdong to settle cross-border transactions in RMB.⁶¹

59. *Financial Times*, May 8, 2009.

60. See, for example, C. Fred Bergsten, "We Should Listen to Beijing's Currency Idea," *Financial Times*, April 9, 2009, and Jeffrey Sachs, "Rethink the Global Money Supply," *Scientific American*, vol. 300, No. 6 (2009), p. 34.

61. *Financial Times*, April 20, 2009.

Limits of Rule Making

It is important to note, however, that despite its new-found activism, China's ability to influence the international financial system and its governance remains limited. The lack of depth and liquidity of the Chinese financial market and China's dependence on exports, especially to the United States, will put serious constraints on its power as an international creditor.⁶² And until China adopts a flexible exchange-rate regime, liberalizes its capital market, and develops a credible central bank, the Chinese currency is not likely to become an international currency.⁶³ Chinese officials are keenly aware of the limitations to China's role in global finance. For example, in November 2008, the head of China's sovereign wealth fund, the CIC, stated that China should and would play a greater role in revamping the regulation of the global financial system, though it could not be a leading player. He stressed that like the West, China did not have the answers on how to create a proper regulatory regime.⁶⁴

China's approach to the governance of global finance is indicative of its new attitude toward global governance more broadly. On the one hand, China acts as a "responsible" stakeholder in the current system. This is made clear by its coordination with other major countries with regard to fiscal stimulation of the economy and its continued willingness to hold large sums of dollar-denominated assets and thus to support the dollar's role in the global financial system. On the other hand, China seeks to play the role of a reformer, as manifested by its specific proposals for greater inclusiveness of developing countries in reshaping the global financial architecture, for changes in financial regulations, and for a gradual shift away from a dollar-dominated international financial system. Meanwhile, the limitation of China's capacity to reshape the global financial system is also likely to be true of its role in other areas of global governance.

62. Chin and Helleiner, "China as a Creditor."

63. Masson et al., "China's Integration into the Global Financial System."

64. Reported in *Wall Street Journal*, November 18, 2008.

Conclusion: Some Thoughts about the Future

Assuming continued healthy economic growth, China will play an increasingly important part in global governance. Exactly what role it will play is hard to predict, but it is possible to identify some of the factors that will probably shape the future of China in global governance.

Factors that Will Shape the Future

To begin with, it is obvious that China has developed the desire for a greater role in global governance. At the popular level, nationalist sentiment has been on the rise in the last decade and a half.⁶⁵ The latest manifestation is the best seller, *Unhappy China*. Published in spring 2009 and quickly attracting attention inside and outside China, the book argues that the country should stand up to the West and claim its rightful place as a global power. One of the five authors points out that the financial crisis proves that the United States has failed in world leadership and that “we can do it better.”⁶⁶ At the elite level, however, considerations of China’s role are less emotional and more deliberate. Policy analysts advocate China’s greater involvement in global governance for a variety of reasons beyond national pride.

First, they see China’s greater involvement in global governance, especially its blueprint for a “harmonious world,” as a response to presumptions of a China threat. By showing its peaceful intentions to the world and polishing China’s image as a “responsible great power,” China can deflate attempts to balance it as a rising power.⁶⁷ Furthermore, they argue that the

65. There is a large literature on the rise of nationalism in contemporary China. See, for example, Suisheng Zhao, *A Nation State by Construction: Dynamics of Modern Chinese Nationalism* (Stanford, Calif.: Stanford University Press, 2004), and Peter Gries, *China’s New Nationalism: Pride, Politics, and Diplomacy* (Berkeley, Calif.: University of California Press, 2005).

66. Reported in *Financial Times*, March 28, 2009.

67. Zhao Lei, “Yi ‘Hexie Shijie’ Linian Tisheng ‘Fuzeren Daguo’ Xingxiang”

expansion of the Chinese economy will continue to add to China's hard power. But, if China is to become a great power, hard power is not enough. China must participate in the making of global governance rules by contributing universalistic values and developing concrete, feasible proposals.⁶⁸

Second, some Chinese analysts view China's involvement in global governance as instrumental to strengthening the CCP's legitimacy. They believe that a ruling party needs both domestic and international legitimacy. In the era of globalization, international legitimacy has become more important than ever before. By participating in global governance and adhering to international norms, the CCP-led government could enhance its international and, in turn, its domestic legitimacy.⁶⁹

Third, the Chinese elite recognizes that global governance tends to blur the distinction between international and domestic politics. For the reformers this means the convergence of both global governance and domestic governance toward the same principles of good governance—legitimacy, transparency, accountability, rule of law, responsiveness, and effectiveness.⁷⁰

(Improve the Image of a "Responsible Power" with the Concept of a "Harmonious World"), *Zhongguo Dangzheng Ganbu Luntan* (Forum of China's Party and Government Cadres), No. 12 (2007), pp. 46-48.

68. Wang Yonggui and Li Peiwu, "Quanqiuhua Jincheng yu Zhongguo Goujian Hexie Shijie de Waijiao Zhanlue Xuanze" (The Course of Globalization and China's Foreign Policy Strategy Choices in Formulating a Harmonious World), *Dangdai Shijie yu Shehui Zhuyi*, No. 4 (2008), pp. 80-83.
69. Yao Shangjian, "Quanqiu Zhili zhong de Zeren Zhengdang—Jian lun Zhongguo Gongchandang de Guoji Zeren" (Responsible Parties in Global Governance—Also on the International Responsibility of the Chinese Communist Party), *Gansu Shehui Kexue* (Gansu Social Sciences), No. 4 (2008), pp. 177-80.
70. Yu, "Jingji Quanqiuhua yu Zhili de Bianqian"; Teng Shihua, "Quanqiu Zhili yu Zhengfu Gaige de Shuangxiang Hudong Yingxiang" (The Two-Way Interaction and Influence between Global Governance and Government Reforms), *Jingji Shehui Tizhi Bijiao* (Comparative Economic and Social Systems), No. 6 (2002), pp. 95-99; Yang Hongshan, "Jingji Quanqiuhua yu Zhongguo Zhengfu Zhili Biange" (Economic Globalization and Chinese Government Reforms), *Guangdong Xingzheng Xueyuan Xuebao* (Journal of the Guangdong College of Administration), No. 5 (2003), pp. 23-27.

They hope to use global governance standards to promote domestic change. Indeed, the Chinese government has already utilized China's involvement in global governance in this way. For instance, in 2009 the State Council decreed that Shanghai should be turned into an international financial center by 2020. According to Chinese officials, the central purpose is not for Shanghai to replace Hong Kong as China's main international financial center, but to use Shanghai's internationalization to modernize China's financial system, just as the reformers used China's entry into the World Trade Organization to push through domestic market reforms that would otherwise be politically impossible.⁷¹

But some members of the Chinese elite are wary that global governance may open the door to foreign interference in China's domestic affairs and undermine its political stability. To them, there is always the danger that Western powers will use global governance norms to challenge the CCP's monopoly of power.⁷² If China's involvement in global governance poses any serious threat to the communist regime, as one could imagine in cases of ethnic minority issues, the AIDS epidemic, and freedom of the press, it could dampen the Chinese government's enthusiasm for participation in global governance.

Limiting Factors

Beyond understanding China's intentions, it is important to examine China's capacity for playing a greater role in global governance. We would like to point out the following limitations, which may slow down China's rise as a major player in global governance.

First, the Chinese mentality may be an obstacle. Global governance is a multi-layered network of governance; it has both vertical and horizontal relationships among different types of

71. *Financial Times*, June 24, 2009.

72. Cong Riyun, "Quanqiu Zhili, Lianheguo Gaige yu Zhongguo Zhengzhi Fazhan" (Global Governance, UN Reforms, and China's Political Development), *Zhejiang Xuekan* (Zhejiang Forum), No. 5 (2005), pp. 108-15.

actors. This is contradictory to the Chinese tradition of external relations. Historically, Chinese understood international relations as the hierarchical relationship between the imperial Chinese court and the tributary states rather than as a relationship among equals. Some Chinese scholars question if China can quickly adapt to a non-hierarchical kind of governance structure.⁷³ Furthermore, global governance inevitably challenges the traditional notion of national sovereignty, contradicting China's strong attachment to national sovereignty that grew out of the "hundred years of humiliation" from the mid-19th to the mid-20th century. Any governance arrangement that might reduce state sovereignty may be hard for China to contemplate.⁷⁴

A second obstacle may be China's multiple identities and the ambiguous position it occupies in the international system. Traditionally, the Chinese government used to portray China as a victim of Western imperialism, a bastion of revolution, a third world nation, and a socialist country. In recent decades, the emphasis has shifted to China's position as a stakeholder in the international system, a reformer, and a responsible great power.⁷⁵ With these potentially conflicting identities, China has to be careful where it stands on controversial issues. Should it speak on behalf of the developing countries? Should it stand with the great powers? In global governance, it is impossible for China to take a simple stand.⁷⁶

73. Ibid.

74. Zhang Jinsong, "Lun Quanjie Zhili Shidai Woguo Zhengfu de Zeren" (On the Responsibilities of Our Government in the Age of Global Governance), *Shehui Kexue Zhanxian* (Frontlines of Social Science), No. 8 (2008), pp. 158-61, and Lai-Ha Chan, Pak K. Lee, and Gerald Chan, "Rethinking Global Governance: A China Model in the Making?" *Contemporary Politics*, vol. 14, No. 1 (March, 2008), pp. 3-19.

75. See Wang, "National Image Building and Chinese Foreign Policy," and Zhiqun Zhu, "Power Transition and U.S.-China Relations: Is War Inevitable?" *Journal of International and Area Studies*, vol. 12, No. 1 (June, 2005), pp. 1-24. In 2002 the 16th CCP National Congress placed Chinese relations with the developed countries on the top of its foreign-policy agenda, which was unprecedented in the history of the People's Republic.

76. Wang, "Zhongguo yu Guoji Zuzhi Guanxi Yanjiu de Ruogan Wenti."

China's dilemma can be seen in its relationship with the G-8. As noted before, the G-8 is made up of the world's seven most powerful industrialized countries plus Russia. The Chinese attitude toward the G-8 has been ambivalent. On the one hand, they see it as a club of the wealthiest nations in the world, one that attempts to preserve Western domination of the international system. By excluding the developing countries, it does not have sufficient legitimacy and efficacy in global governance.⁷⁷ On the other hand, they recognize the importance of the G-7/G-8 in global affairs.⁷⁸ Since 2003 China has been at the annual meetings of the G-8 leaders. It has engaged the G-8 on global issues such as climate change, energy, and reform of the Bretton Woods system. But Chinese policy makers and analysts are careful not to place China in a situation where it alone faces the pressure of a number of wealthy countries that do not share its economic and political interests.⁷⁹ China has engaged the G-8 in cooperation with other large developing countries, including India, Brazil, South Africa, and Mexico. In his speeches at G-8 meetings, Hu Jintao often strives to articulate a collective vision of the developing nations on global governance.⁸⁰

The current financial crisis has elevated the G-20 at the expense of the G-8. This has been a welcome development for China as it has provided an ideal forum for it to influence global governance without having to resolve its identity problem. However, this does not eliminate situations where China will have to choose between being a member of the club of the

77. Lu and Zha, "G7/G8 Jiaose Zhuanxing yu Quanqiu Zhili."

78. This, for example, was the view expressed in Wang Jisi, "China's Search for Stability with America," *Foreign Affairs*, vol. 84, No. 5 (September-October, 2005), pp. 39-48.

79. Yan Shuangwu and Yu Feng, "Xianxian Canyu Quanqiu Zhili de Juexi" (Showing Determination to Participate in Global Governance), *Xinwen Qianshao* (News Outpost), No. 7 (2007), pp. 8-9.

80. For a detailed discussion of China's behavior with regard to the G-8, see Gregory Chin, "Negotiating China's Complex Interests and Multiple Identity in Global Governance Reform: Between G8 Engagement and BRICSAM Diplomacy," unpublished manuscript (York University, 2008).

wealthy countries and acting on the side of the developing countries. How will China act? One telling indicator is how China has reacted to the so-called G-2 proposal. In the last few years, some American scholars close to policy circles have put forth the idea of a Group of 2 consisting of the United States and China.⁸¹ In this scenario, the world's biggest debtor and its principal creditor would form a controlling regime for the world economy. More recently, the idea of a G-2 has gone beyond the economic realm. In a speech celebrating the thirtieth anniversary of normalization of Sino-American relations in early 2009, former U.S. national security advisor Zbigniew Brzezinski proposed that China and the United States work together to set the agenda of international affairs. The Chinese government has flatly rejected this suggestion, arguing that this scheme of shared hegemony runs counter to China's anti-hegemony principle. As a member of the developing world, China can't stand too closely with the leader of the Western world.⁸² For the foreseeable future, China will continue to lean toward the developing countries on many issues of global governance.

Third, China may not have sufficient instruments to assume a greater role in global governance for some time to come. Global governance is characterized by partnerships between states and non-state actors. Because nongovernment organizations remain underdeveloped in China, thus far there is little Chinese presence in the global civil society to represent the interests and voices of Chinese society.⁸³ This forms a sharp contrast with the United States, where many NGOs, think tanks, academics, media organizations, business people, and ordinary citizens are willing and able to support American foreign policy and national interest.⁸⁴

81. Most notably, see C. Fred Bergsten, "A Partnership of Equals: How Washington Should Respond to China's Economic Challenge," *Foreign Affairs*, vol. 87, No. 4 (July-August, 2008), pp. 57-69.

82. Jian Junbo, "China Says 'No Thanks' to G-2," *Asia Times*, May 29, 2009, online at www.atimes.com/atimes/China/KE29Ad01.html.

83. Chinese organizations that have membership in various transnational organizations tend to be government-sponsored NGOs. They are not representatives of an autonomous civil society.

84. Wang Jisi, "Meiguo Baquan de Luoji" (The Logic of U.S. Hegemony), in

Many Chinese analysts point out that without a vibrant and sophisticated civil society, China cannot effectively play its role in global governance.⁸⁵ They urge the Chinese government to nurture NGOs in China rather than constrain and suppress them.⁸⁶ In the short run, they encourage Chinese NGOs to grow to compete with large transnational NGOs for resources and citizens' support in China. In the long run, they call for Chinese NGOs to go out and become part of global governance.⁸⁷ But this is easier said than done. The Chinese government recognizes the utility of NGOs in both domestic and foreign policy, but it is very cautious in opening the political space for their development out of fear that they will detract from the CCP's monopoly of power. Their anxiety has been intensified since the color revolutions in Easter Europe and Central Asia in the early 2000s.

Finally, a serious challenge for China as it seeks to be a major player in global governance is the gap between its rhetoric and its practice. For instance, while the Chinese government calls for democratizing international institutions, it has nevertheless been unwilling to dilute the concentration of power in the hands of the big five in the UN Security Council. While the Chinese government demands a more equal and just international economic order, its own competitive exports have often caused heavy losses for other developing countries. Although China has long portrayed itself as a peace-loving nation, it has refused to abandon the use of force with regard to Taiwan. And finally, Chinese officials and academics have advocated tolerance of political and ideological differences among countries in the world, but the Chinese government has been anything but

Meiguo Yanjiu (American Studies), vol. 17, No. 3 (2003), pp. 7-29.

85. Cai, "Quanqiu Zhili de Zhongguo Shijiao yu Shijian," and Cong, "Quanqiu Zhili, Lianheguo Gaige yu Zhongguo Zhengzhi Fazhan."

86. Zhang Fangfang, "Quanqiu Zhili zhong de Fei Zhengfu Zuzhi" (NGOs in Global Governance), *Dazhong Kexue* (Popular Science), No. 7 (2008), pp. 157-58.

87. Ding Hong, "Quanqiu hua, Quanqiu Zhili yu Guoji Fenzhengfu Zuzhi" (Globalization, Global Governance, and International NGOs), *Shijie Jingji yu Zhengzhi Luntan* (Forum of World Economy and Politics), No. 6 (2006), pp. 101-106.

tolerant of such differences at home.

Of course, China is not alone in not living up to its proclaimed foreign-policy ideals. For instance, Denmark is a country that seeks to maintain an internationalist reputation, but in recent years it has created more and more restrictive and culturally framed immigration and refugee policies.⁸⁸ Likewise, Canada's foreign policy purports to promote "Canadian values" such as peace, tolerance, and order, and yet it has engaged in violent actions abroad and against historically marginalized groups at home.⁸⁹ The European Union presents itself as an "ethical power," a "normative power," and a "civilian power" based on principles such as peace, equity, and human rights.⁹⁰ But such rhetoric is often contradicted by its actions.⁹¹ Last but not least, the United States claims to be a force for freedom and democracy.⁹² But the practice of U.S. foreign policy in recent years is so at variance with its proclaimed ideals that it has led to widespread skepticism around the world.⁹³

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88. Peter Lawler, "Janus-Faced Solidarity: Danish Internationalism Reconsidered," *Cooperation and Conflict*, vol. 42, No. 1 (2007), pp. 101-26.
89. Heather Smith, "Disrupting Internationalism and Finding the Others," in Claire Turenne Sjolander, Heather A. Smith, and Deborah Stienstra, eds., *Feminist Perspectives on Canadian Foreign Policy* (Toronto: Oxford University Press, 2003); and Allison Howell, "Peaceful, Tolerant and Orderly? A Feminist Analysis of Discourses on 'Canadian Values' in Canadian Foreign Policy," *Canadian Foreign Policy*, vol. 12, No. 1 (2005), pp. 49-69.
90. See, for example, Ian Manners, "Normative Power Europe: A Contradiction in Terms?" *Journal of Common Market Studies*, vol. 40, No. 2 (2002), pp. 235-58.
91. Christopher Hill, "The Capability-Expectations Gap, or Conceptualizing Europe's International Role," *Journal of Common Market Studies*, vol. 31, No. 3 (1993), pp. 305-28, and Bastian Giegerich and William Wallace, "Not Such a Soft Power: The External Deployment of European Forces," *Survival*, vol. 46, No. 2 (2004), pp. 163-82.
92. See Michael Hunt, *Ideology and U.S. Foreign Policy* (New Haven, Conn.: Yale University Press, 1988), and Andrew Bacevich, "Prophets and Poseurs: Niebuhr and Our Times," *World Affairs*, vol. 170, No. 3 (2008), pp. 24-48.
93. Peter Katzenstein and Robert Keohane, *Anti-Americanism in World Politics* (Ithaca, N.Y.: Cornell University Press, 2006).

However, the extent (or the perceived extent) of discrepancies between words and deeds does matter. Indeed, researchers find that a hypocritical “ethical power” would be self-defeating and less powerful than a hard-nosed, interest-driven actor.⁹⁴ In recent years, the international public seems to be particularly alive to American hypocrisy while showing more forgiveness of other actors because the gap between words and deeds in U.S. foreign policy has been especially glaring. The Chinese media have increasingly described the United States as hypocritical in the sense that it advocates and to a large degree practices democracy at home but at the same time acts in a very undemocratic way in international relations. Ironically, thus far China seems to be closer to the awkward position of the United States than the other actors cited above. This will remain a major obstacle for China in seeking to play a constructive role in global governance reforms.

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