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China's Rising Role in Global Governance: Opportunities & Challenges



RISING POWERS QUARTERLY

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Rising Powers Quarterly is a peer-reviewed non-profit free-access journal dedicated to the study of the growing role of rising powers in global governance. It aims to explore the political, economic and social processes through which the states regarded as "rising powers" in world politics interact with other states as well as international and transnational organizations. All editorial correspondence should be addressed to the Editors at submissions@risingpowersproject.com

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Foreword: The Launch of Rising Powers Quarterly

Emel Parlar Dal, Ali Murat Kurşun

Editors of Rising Powers Quarterly

There is no doubt that the significant transformation the world has been undergoing is being accompanied with the rise of various actors that bring with themselves not only a re-ordering in the hierarchical structure of world politics, but more importantly a redistribution of the roles played by these actors positioned in different levels of this hierarchical structure. It is no longer only the great powers that set the rules of the governing system, but rather rising, emerging and middle powers started to have significant shares in the process of rebuilding of the global architecture. In this regard, it is important to comprehend the consequences of this transformation since the 'rising' phenomena of this transformation do not only include the states, but also various groupings, organizations and institutions. More importantly, the interaction between the rise of these different actors at the global level has an important share in the shaping of the rules and tools of today's global governance architecture.

For this very reason, the rise of these different actors in world politics and their impact on the world order have become an attractive area of study in order to better understand the changing dynamics of the ruling structure and status quo. The roles played by these rising actors, their interactions at the global level, their positive/negative contributions to the governance architectures, their challenges to the Westphalian and the liberal world system, their collective bargaining strategies, their proposed solutions for the crises, their roles in the underdeveloped world and so many related topics gained significant attention, not only in these rising countries but also in the Western academia.

There has been an upsurge in the number of publications on the above mentioned topics not only in the field of politics and international relations, but also in other related disciplines such as economy, sociology and law. It is also important to note that the recent studies on rising powers have utilized an interdisciplinary approach in analyzing their roles in the global governance system. Many of these articles have been published in leading academic journals such as *Global Governance, Third World Quarterly, Global Policy, International Affairs, International Relations, International Organizations* and *International Journal*. However, the

absence of a journal that is exclusively dedicated to the study of rising powers in global politics seems to be a major problem for the development of scholarly research on this topic.

Rising Powers Quarterly aims to fill this void in international relations research and introduce a breath of fresh air to scholarly research on rising powers. The idea of publishing a special journal on this topic emerged during the process of a research project funded by the Scientific and Technological Research Council of Turkey (TUBITAK), which analyzed Turkey's contribution to global governance in comparison to the BRICS countries. The necessity to establish an academic network between the scholars of Turkey and other rising powers has prompted our research team to develop the *Rising Powers Quarterly* journal as a new initiative to facilitate the spread of new ideas and works on this topic in a more solid and continuous basis.

Rising Powers Quarterly is particularly interested in original scientific contributions that analyze the operations and policies of regional and international organizations, international groupings such as the BRICS, IBSA, MIKTA and G-20 as well as their member states around the main themes of international political economy, global governance, North-South relations, developing world, changing international order, development, rising/emerging/middle/regional powers, development cooperation, humanitarian assistance, peace, peacekeeping, security, democracy and international terrorism. Country-specific case studies with regard to their interactions at the global level are also of particular concern of *Rising Powers Quarterly*.

The inaugural issue of *Rising Powers Quarterly* is devoted to China and aims to focus on this country's growing role in global politics. The articles touch upon the various political, economic and normative dimensions of China's position in the global governance architecture. To this end, they particularly try to understand how the Chinese governments plan and coordinate their actions in the global governance system and which tools they utilize in order to achieve their global aspirations. Some of the articles further analyze the implications of Chinese foreign policy especially with regard to the Middle East and Africa.

Suisheng Zhao's "China as a rising power versus the US-led world order" sets the normative framework of the discussion on this issue by exploring China's relative position between the roles of status-quo power and revolutionary power by putting forward the argument that China does not have any problems with the current order, but is rather concerned about its position within this order.

Departing from this question, Tim Summers, Stephan Klingebiel and Yixian Sun analyze China's rising role at the global level. In "Thinking inside the box: China

and global/regional governance", Tim Summers takes the question one step further and tries to explore whether China's impact is in accordance with the Euro-American order while concluding that China's global engagement is in conformity with the capitalist modernity. Stephan Klingebiel's "Global problem-solving approaches: The crucial role of China and the group of rising powers" attempts to locate China in world order by discussing different and conflicting definitions of rising powers. The articles of Summers and Klingebiel which set the general framework for understanding China's role in global governance in this issue is supported with Yixian Sun's "Problem or solution? The changing role of China and the group of rising powers" at the level of a significant issue area of global governance: environmental politics. Sun does not only analyze the question at the governmental level, but also evaluates how non-state actors in China engage in environmental governance and contribute to the progress in environmental adjustments.

The issue then engages the discussion at the institutional level. "China's leadership in global economic governance and the creation of the Asian Infrastructure Investment Banks" by Jonathan R. Strand, Eduardo M. Flores and Michael W. Trevathan asks whether China plays a complimentary role in global economic governance and analyzes China's engagement with the World Bank (WB) and Asian Development Bank (AsDB). The authors demonstrate how the creation of AIIB reflects the relative change in the American-dominated order. Clara Brandi's "Rising powers in the global trading system – China and Mega-Regional trade negotiations" investigates the role of rising powers with a specific focus on China within the World Trade Organization and argues that G20 can invest more on playing an important role in the global trading system. M. Sait Akman's "Global trade governance and G20: A response to Mega-Regional trade agreements" analyzes the role of regional trade agreements with regard to G20 and compares the two preceding term presidents of this organization: Turkey and China.

Finally, the issue addresses China's rising role at the regional level. Barnett R. Rubin and Tom Gregg's "China-U.S. cooperation in Central and South Asia" deals with the China-U.S. cooperation in Afghanistan and Pakistan by analyzing the initiation of various infrastructure projects in the region and concludes that the two countries have a partial convergence in their attitude towards these projects. Adriana Erhal Abdenur's "Rising Powers and International Security: the BRICS and the Syrian Conflict" explores the main positions the BRICS regarding armed conflicts with a particular emphasis on the Syrian conflict and argues that BRICS can play a significant role in the post-conflict period rather than being a direct player in this conflict. Lina Benabdallah's "Towards a Post-Western Global Governance? How Africa-China Relations In(form) China's Practices"

analyzes Chinese involvement in Africa from a different aspect and tries to assess China's gains from its involvement in the continent at the global level. The author argues that these relations provide China with the opportunity to acquire global experience especially through its trade implementations and investment projects.

We believe that all the articles in this inaugural issue of Rising Powers Quarterly offer an important opportunity to grasp China's role in the world order through its governance practices at the global, institutional and regional levels. Keeping in mind that these three levels are interconnected with each other, this issue proposes an integral analysis of China's engagement with global governance. By doing so, it aims to set the scene for further comprehensive research on China's rising role in world politics.

Finally, we would like to take this opportunity to express our gratitude to all scholars who contributed to the launch of *Rising Powers Quarterly* particularly contributors of this inaugural issue and who accepted to be included in our editorial board. We sincerely hope that this new initiative will encourage further scholarly research on rising powers in global governance.

Article

China as a Rising Power Versus the US-led World Order

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Abstract

Although a rising China is not a status quo power content to preserve and emplace the US-led world order, it is not yet a revolutionary power discontented with and willing to undermine the existing order. Not only is China far from the position to overtake the US power, it has not articulated distinctive values to underwrite the world order. China is a reformist/revisionist power, dissatisfied not with the current order but its position in the order.

Keywords

World order, Great Powers, China as a Reformist/Revisionist Power, China-US Relations, Asia Infrastructure Investment Bank, Westphalian Principles

Introduction

World order refers to dominant values, rules, and norms that define the terms of global governance and give shape and substance to international society at any given time. Historically, great powers have been the rule-makers of world order to reflect their values and interests, weak states the takers, and dissatisfied emerging powers the breakers, pursuing alternative principles to conform to their distinctive preferences.

After the end of WWII, the US as the rising hegemon was in a unique position to construct the rules and institutions that have had a profound impact upon the development of the world order. While the US has benefited immensely, its allies blossomed economically and continue to enjoy the benefits of the post-1945 order. China is also a beneficiary after Deng Xiaoping started reform and open-up in the late 1970s.

Rising as a great power in the 21st century, China has to decide whether it can live with the US-led order or creates a new order to sit alongside or even overtake

it. China's rise, therefore, has led to the debate if China will become a stakeholder or a dissatisfied-revolutionary power. While the liberal view assured that "the rise of China does not have to trigger a wrenching hegemonic transition" because the world order built under the US leadership is based on rules and norms of nondiscrimination and market openness, creating conditions for rising states to advance their expanding economic and political goals within it (G. John Ikenberry, 2008), many in the US have increasingly worried that a rising China may want to challenge the US leadership and overhaul the underlying rules of the existing world order.

This article argues that although China is not a status quo power to preserve and emplace the US-led order, it is not yet a revolutionary power discontented with and willing to undermine the existing order. Not only is China far from the position to overtake the US power, it has not articulated distinctive values to underwrite the world order. With a historical identity as an East Asian empire, China's visions of a Sino-centered hierarchical order or tianxia (all under heaven) system can hardly appeal to most of its neighbors. Embracing the Westphalian principles of the state sovereignty while adapting to the emerging transnational norms, China is a reformist/revisionist power, dissatisfied not with the current order but its position in the order. If China's demands can be accommodated through negotiations with the US and other powers to increase China's voice and weight in the existing institutions and adjustment to tweaking of some rules, China would not necessarily become a revolutionary power.

The China Challenge

Benefiting from the post-WWII world order established under the US leadership and rising to the second largest economy in the world, China, nevertheless, has regarded the existing world order in favor of the US and its allies at the expenses of China's power aspiration because China is deeply concerned over the so-called structural conflict between China as a rising power and the US as the sole superpower. Believing that America's ultimate strategic objective was world hegemony and, seeing China as a potential threat to its hegemony, the US would not want to see China rising as peer power, many in China have worried that the United States has a hidden agenda of making use of the US-led international institutions and pressing on the issues of human rights and democracy to prevent China from rising to the "rightful place."Therefore, China has become a challenger to the USled world order in many aspects.

First, rising as a regional power in the Asia-Pacific, Chinese scholars have debated if China should adopt its own "Monroe Doctrine" to establish a sphere of influence and De-Americanization in the region. In the meantime, China has tried to build regional security institutions without the US participation to better accord with its interests and preferences. The Shanghai Cooperation Organization (SCO) is the first regional organization launched by China without the US participation. Although the SCO claims that it is not against any third country, China played a leadership role obviously with the goal of balancing the US influence in the region. President Xi demonstrated the clear intention to exclude the US from the regional organizations when he announced Asian security to be "maintained by Asians" at the 2014 Shanghai Summit of the Conference of Interaction and Confidence-Building in Asia (CICA). He invigorated this littleknown regional summit that had languished for years because its membership did not include the US and most American allies and partners, such as Japan, the Philippines, and Singapore.

Second, Beijing has demanded capital share and voting power rights in the global institutions at its weight level. Criticizing the global economy's dependence upon a dollar-based single currency system as one cause of the global financial crisis in 2009, People's Bank of China Governor Zhou Xiaochuan proposed China's RMB be included in the basket of key international currencies on which the value of the IMF's Special Drawing Rights (SDR) is based. Gaining the status in 2015 paved the way for Beijing to flex its muscle more in the global economy, a key step in boosting its global role and breaking the dominance of the U.S. dollar, the stronghold of American power. China also proposed to rebalance voting shares of the IMF in accordance with the growing economic strength of emerging economies at the Group of 20 meeting in 2010. IMF moved to increase China's voting shares from less than 4 percent to over 6 percent and the reforms were ratified by all other members but stuck in the US Congress until 2015. In frustration, China worked with other four emerging economies and co-founded the BRICS Bank in 2014, a symbolic gesture to create a sort of IMF clone writ small.

Third, China has competed with the US for the leadership of regional economic architecture. Negotiating the Regional Comprehensive Economic Partnership (RCEP) with ASEAN states as an alternative to the US-led TPP, China launched two major initiatives in 2015. One was the Silk Road Economic Belt and 21st Century Maritime Silk Road, known as One Belt One Road (OBOR), which is to bind together 65 countries and 4.4 billion people beyond China's land and maritime borders to provide an outlet for excess industrial capacity, explore the resource access, and strengthen national security cooperation. Aligning with Xi's "China Dream" of national rejuvenation, the ultimate objective of the OROB is perceived to reshape the international system and put China at the center of the world (Stokes, Jacob 2015). The second initiative was the AIIB, officially launched in June 2015 by China and joined by other 49 founding members. Headquartered in Beijing and headed by a Chinese citizen, the AIIB was perceived "as an alternative to the World Bank and other international development

institutions."(Karabell, Zachary 2015) The US dissuaded its allies from joining the Beijing-inspired bank but was caught flat- when the United Kingdom, followed by other prominent U.S. allies, including France, Germany, Italy, Australia and South Korea, applied as founding members of the AIIB before the deadline of March 31, 2015. The accession of the UK and several European countries was regarded a powerful testament to China's role in the reconstruction of the world order. A Chinese scholar held that although the Bretton Woods system led by the US made contribution in resolving global issues, this old vehicle was tired and needed reform. The US attempts to delay the reforms caused complaints from many countries. China, therefore, launched the AIIB to help reduce the tension in the existing system, provide international public goods, and participate in international rule-making. (Wang, Yiwei, 2015)

Fifth, China has become increasingly assertive in maritime territorial disputes with its neighbours, including the US allies of Japan and the Philippines. Submitting the "Nine-Dash Line" maritime boundary based on historical claims to the United Nations to legitimize its far-flung claims, China has refused to take part in an international court case brought by the Philippines under the UN Convention on the Law of the Sea (UNCLOS), which provides not only rules for determining conflicting maritime claims but also legal institutions for impartially applying those rules. Beijing is a signatory to UNCLOS but insists that the court has no jurisdiction, despite widespread consensus to the contrary, and has thus eroded existing maritime regimes and rules without either leaving UNCLOS or offering replacements (Fontaine, Richard, Rapp-Hooper, Mira, 2016). If China thumbs its nose at an adverse decision and a subsequent determination of the merits of the dispute, it will be in blatant violation of the UN convention obligations that it freely ratified after taking an active part in the long negotiations preceding the treaty. Rejecting peaceful settlement of maritime as well as territorial disputes through international arbitration, adjudication and other third-party procedures, China is plainly out of step with the practices of other Asian countries and the rest of the world (Cohen, Jerome A. 2015).

A Reformist/Revisionist Power

Challenging the US-led world order, China is not in the position to replace the existing order, only demanding reform of global governance and more influence as a rules-maker. Fu Ying, Chinese former vice foreign minister and a personal aide to President Xi Jinping, explained that "China has neither the intention nor ability to overturn the existing order." (Fu, Ying, 2015) This is not modesty but a reflection of China's awkward position in the international system.

First, China is far from the position to step into America's shoes any time soon. The US remains the most powerful nation in the world, using not only its military and economic might but also its soft power to shape the world order. A Chinese scholar admitted that China may one day overtake the US in the size of economy but may never overtake the influence and leadership role of the US in the world (Xue, Li, 2015). As for the causes, another Chinese scholar explained that China faced predicaments in devising an international discursive power (话语权): using Chinese discourse, people could not understand and would not accept it; using others' discourse, China would lose itself. The traditional Chinese system as a hierarchy was in contrast to the Westphalian principles and could not automatically transform into modern discursive power (Wang, Yiwei, 2015).

Unable to construct an alternative order, China has insisted on the Westphalian principles, which looked attractive to many countries in an era of intense interventionism by the US that often ended in chaos and chronic instability within those countries affected. But many of China's neighbors now worry that, as China's relative power rises, China's imperial past may produce an undue pressure on its leaders to regain its predominant position and restore the old Chinese hierarchical order. One reporter took a note that at the 60th anniversary of the Bandung Conference, the 1955 meeting that gave birth to the Five-Principles of non-intervention, only two notable leaders bothered to turn up. One was President Xi, who used the occasion to portray China as the well-meaning leader of the non-western world. The other was Prime Minister Shinzo Abe, who suggested that the threat to the sovereignty of smaller countries no longer came from the west (Bowring, Philip, 2015).

Second, even in the Asia Pacific region, achieving dominance cannot be a serious Chinese objective because of the presence and influence of the US, Japan, and other regional powers. While China is rising, many surrounding states are also on the rise. China's shift from espousing a peaceful rise to the far more assertive behavior has made its neighbors nervous, motivating not only US allies such as Japan and Australia but also countries such as Vietnam, India, Indonesia and the Philippines, which were once either enemies of or neutral towards America, to realign with the US and with each other to balance China's power aspiration. The 21st century has seen a multipolarity rather than Chinese hegemony in the region.

While many Chinese blamed the US inciting China's neighbors against China, one cold headed Chinese scholar wrote that the difficulties in China's relations with its neighbors were not caused by the US stirring up trouble but because the great majority of East Asian countries were worried about China. In East Asia, the old rule that economics determines politics lost effectiveness because nearly all these countries closely worked with China economically but aligned with the US in security and politics and welcomed and even invited the US to balances the growth of Chinese power (Yang, Zhizhen, 2014).

China's institutional initiatives will not play a critical role in China's rise but are the consequences of its rise. Historically, to bandwagon with a rising power is common practice due to potentially great relative gains. The most successful rising powers have been precisely the ones that have attracted the greatest number of bandwagoners (Schweller, Randall, 1999). It doesn't serve China's interests to have tensions with many neighbors simultaneously. China cannot rise successfully without winning the support of its neighbors or at least preempt their balancing motives. China's long-term interests depend on relationships with its neighbors as well as the US.

Third, China has benefited and continues benefiting from the Post-WWII order underpinning stability and economic growth in the world and the region. As one Chinese commentator admitted, "China became the largest beneficiary by taking maximum advantage of globalization... A large part of the world has prospered under such an arrangement (American global leadership)... These nations are essentially free riders, of which China is the biggest and most successful one." (Li, Eric X., 2014) Although China is uncomfortable with the United States militarily and strategically engaged in its home region, it benefited from the security role that the US played in the Asia-Pacific. Residing in a neighborhood with complicated power competition and historical animosities, Chinese leaders have to be measured and judicious. "The corollary of the decline of the West is not the rise of Asia. It is the erosion of Asia, at least as an idea, as rivalries within geographic Asia overtake the notion of regional cohesion that once bound these countries together." (Bowring, Philip, 2015)

Beijing's interests will be served best by working with the US and its neighbors to maintain the rule-based regional order. China often expresses concern over the US–Japan alliance. Yet the alliance is part of the regional security architecture that has underpinned the stability in East Asia and prevented a potential remilitarization of Japan. "Imagine what the regional security picture would look like to China if Japan were strategically independent from the United States." (Manning, Robert A., 2013) Without the US nuclear umbrella, Japan would have developed nuclear weapons a long time ago, prompting South Korea and even Taiwan to develop their own nuclear weapons. From this perspective, one Chinese scholar suggested that "Chinese policymakers and analysts should not believe their own jingoistic rhetoric about a US in decline. Even if it's true, a weak America isn't good news for China." (Zha, Daojiong, 2014)

Fourth, facing immense internal huddles in its rise, China is a fragile rising power with profound internal causes of concerns that have the potential to derail its rise. The internal challenge "is a far bigger issue for China's leaders than sovereignty over some barren rocks in nearby seas." (Mahbubani, Kishore, 2014) No economy keeps growing at the same pace forever. The era of superior Chinese economic performance is over, exacerbated by the environmental destruction, rampant corruption, a growing gulf between rich and poor, huge local government debt, and looming demographic challenges that are worsened by the fact that it would be the first country to get old before it gets rich. A slowing down economy has placed huge pressure on the Chinese leaders as resentment among China's havenots has the potential to evolve into a concerted challenge to the Communist Party's legitimacy and authority. China's rise ultimately depends on its own domestic development and much less on what others do. To ensure its further rise, China must put its own house in order first.

Conclusion

Although China's rising power and the initiatives such as the AIIB and OBOR may give China more leverage as a rising power, it is still difficult for Beijing to rival the US-led world order before China achieves the level of power comparable to that of the United States in the 1940s-1950s and can present alternative values. Still a stakeholder, China's initiatives represent an assumption of responsibility as much as a declaration of privilege. As a result, although the rise of China has caused concerns in the US and other parts of the world that China is to assert itself in its region and further afield and become a revolutionary power to undermine the existing world order, China is still abided largely by the established rules of the world order, engaging in reforms to revise rather than rewrite the norms and principles. The differences between China and the US are not primarily over the principles of the world order but whether China has obtained the prestige and position of authority commemorating with its rising power status. China and may remain so if it is given more room as a rule-maker, in conjunction with the other powers, to reform the existing order, better reflecting its enhanced power and interests.

Bio

Suisheng Zhao is a professor of Chinese politics and foreign policy at the University of Denver's Josef Korbel School of International Studies. He serves as director of the school's Center for China–US Cooperation, and is the founding editor and the editor-in-chief of the multidisciplinary Journal of Contemporary China. Prior to arriving at the University of Denver, Zhao was an associate professor of political science at Washington College and an associate professor of East Asian politics at Colby College. He received both a bachelor's and master's degree in economics from Beijing University, and subsequently completed a second master's degree in sociology from the University of Missouri. Zhao earned his PhD in political science from the University of California, San Diego.

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Article

Thinking Inside the Box: China and Global/ Regional Governance

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Abstract

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

Keywords

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

Introduction

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

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

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

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

Global trends and order/governance

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

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

various ways (Ohmae 1995).

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

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

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

China and global governance

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

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

The recentring of the global economy in Asia, a feature of the current phase of global capitalism (Dirlik 2014), has created the space for Chinese policy moves to shift the power relations within the structures and institutions of global capitalism towards China (and Asia more broadly). The hosting of the G20 by emerging economies, including by China this September, is symbolic of their enhanced global influence when compared to pre-crisis dominance of the G7/8. The extent of this shift remains highly contested, however. In terms of the G20 agenda, as a scholar at one Chinese think tank puts it, 'Real power in global governance requires intellectual input into the international financial and economic agenda, policies and rules ... China lags behind in the exercise of institutional soft power in this theatre. The major substantial outcomes of the G20 to date ... have been mostly led by the Atlantic countries' (Ye 2016). And as Peter Nolan (2012) has shown, the 'commanding heights' of the global economy remain predominantly in Euro-American-Japanese corporate hands, even if Chinese companies such as telecomms giant Huawei may have begun to make inroads in particular sectors.

The complexities of Chinese positioning have been captured well by Yongjin Zhang (2016) in discussion of more IR-focused questions of global order. Using English School concepts of pluralism and solidarism¹, Zhang identifies three approaches from Beijing in response to different global shifts: first, to reinforce the pluralism of the UN system of sovereign states and the principle of non-interference set out in the UN Charter (see also Foot 2014); second, to challenge and resist the solidarist trends of liberal international relations which increase conditionality or grounds for intervention; and third, to take a more solidarist, but still state-centric, approach to other issues of global governance.

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

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

Regional perspectives and the US 'rebalance'

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

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

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

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

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

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

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

Conclusion

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

Bio

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Article

Global Problem-Solving Approaches: The Crucial Role of China and the Group of Rising Powers

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Abstract

It is becoming increasingly apparent that global challenges can only be solved by developing and implementing international networks which are not only as large as possible, but often also transnational in nature. This applies, inter alia, to securityand climate protection-related topics. There is little point in setting $\rm CO^2$ -related global targets without including China, for example, as the rising powers have evinced tremendous increases in emissions in recent years. Rising powers have a significant potential to shape global problem-solving approaches, something which differs significantly from traditional discourses relating to medium-sized powers. Like other attempts at country classification, the term rising powers is controversial, competing partly with designations including emerging economies, middle-income countries, medium-sized powers or regional powers. The continuing definitional controversy is justified, going hand in hand, as it does, with core underlying concepts and assumptions about international relations.

Keywords

Rising powers, China, Global Problem-solving, 2030 Agenda, BRICS

Introduction: The need for global problem-solving capacity

Long-term global structural upheaval and acute crises (terrorism by the 'Islamic State' / IS, vast refugee and migration movements, etc.) are placing all stakeholders involved in the current phase of international relations under immense pressure to act. This applies equally to China, Europe, stakeholders outside Europe, to developing regions and regions in which progress has been registered. In addition, it has an impact on all policy areas, such as security, environment, health care and traditional foreign policy and development cooperation.

As far as global structural upheaval is concerned, the economic and, in many cases,

social progress observed in a series of developing countries in recent decades has been extremely rapid. China plays a prominent role in this influential trend. The country's size and significance are formative in many respects. This applies both to domestic development-related progress, within China itself - the successful fight against poverty deserves special mention here -, and to the role played by China in international relations and South-South cooperation.

However, this trend can also be observed in other large-scale national economies including Brazil, India and Turkey, which are expanding their respective global roles at a considerable rate, and have, in many instances, been successful in significantly reducing poverty. Various smaller and medium-sized economies such as Rwanda, Ghana and Bangladesh have also recorded dynamic development over the course of several years. As a result, international debates now include references to the "rise of the South" and to global convergence processes. The growing relevance of China, further rising powers and other developing countries and the power shifts in global governance structures are becoming visible in the shape of more recent, pertinent networks such as the group of the 20 most important industrial and emerging countries (G20) and the coalition formed by Brazil, Russia, India, China and South Africa (BRICS).

Identifying global problem-solving approaches is a complex task (Janus, Klingebiel & Paulo 2014; Klingebiel & Paulo 2015; Klingebiel & Paulo 2016). This requires effective transnational collaborative relationships between various stakeholder groups, as there is either a lack of international institutions and regimes equipped to deal with major problem areas, e.g. a global investment regime, or the latter do not have at their disposal sufficient problem-solving capacities independent of nation states, e.g. a global climate policy. Problem-solving approaches are also becoming increasingly convoluted due to the need to involve a plethora of different stakeholders. Innovations rest, critically, on the ability to connect and manage these stakeholders (at a sub-national level, transnational stakeholders such as companies, etc.). Governmental club approaches constitute the expression of a growing diversity of stakeholder constellations and forms, as well as changing global power structures.

The world's community can only implement the global transformation towards sustainability on the basis of the paradigmatic programmes agreed on by all governments in 2015 if a new form of transnational cooperation - which explicitly surpasses inter-governmental or international relations - is established: the 2030 Agenda for Sustainable Development is founded on a far-reaching, global social contract. The realisation of this global policy of a common good faces major challenges, because the global system is characterised by numerous obstacles and impediments to cooperation. The dynamic conditions of the current renaissance of traditional power politics, on the one hand, and the barriers to cooperation resulting from the transition to an as yet undefined multipolar system without Western dominance should be noted in this context. The specific role played by China should be cited once more at this juncture. On the other hand, influential factors beyond the sphere of statehood are becoming increasingly conspicuous; this applies, for instance, to the proliferation and denationalisation of stakeholders (e.g. transnational enterprises) and to the relevance of knowledge-based influencing factors for cooperation.

Transnational cooperation and the 2030 Agenda

The consequences of these trends on the conditions for the success of transnational cooperation for a global policy are complex and contradictory. While the growing problem-related pressure is driving the relevant stakeholders to develop innovative approaches to cooperation within specific spheres of activity, e.g. in global climate policy, geopolitical rivalries and global economic distribution conflicts in other areas, e.g. in terms of the world trade order, are hampering cooperative solutions. Innovative and effective cooperation patterns both external to and within development cooperation, which permit and promote a global orientation towards the common good, are indispensable here.

The new global development agenda, adopted by heads of state and government in September 2015 under the aegis of the United Nations, is a milestone for a global policy of a common good. This superseded the eight Millennium Development Goals (MDGs), which were resolved in 2000. Overall, 17 goals (Sustainable Development Goals/SDGs) are being pursued henceforth within the context of the 2030 Agenda for Sustainable Development.

The new agenda underscores the fact that the goals in question will continue to include development policy content in future, but that they will also considerably surpass this:

- Universal and transformative character: In terms of its aspirations, the agenda aims to exceed a list of objectives related to developing regions. With this, it is also oriented towards affluent, industrialised countries (and the challenges they face, as regards inequality or ecologically unsustainable production and consumption patterns, for example). The agenda is designed to systematically promote change (transformative character), striving for the reform of economic and political decision-making processes, for instance.
- *Six core elements:* The agenda concentrates its attention on six core elements: (1) a dignified life (which includes, in particular, an end to poverty and the reduction of inequality), (2) human beings: securing a healthy life and inclusiveness, (3) wealth, (4) protection of the planetary ecosystem, (5)

justice to promote peaceful societies and functional institutions, (6) partnership for global solidarity for the benefit of sustainable development.

- *Seventeen goals:* The 17 goals comprise a total of 169 indicators or specific activities, making the agenda considerably broader and more ambitious than the MDGs.
- *Role of development cooperation:* Development cooperation funds remain important as far as achieving the goals is concerned. Development approaches needs to be more effective and target-oriented, and promote the use of additional resources.

Overall, the agenda no longer constitutes a purely development policy mandate. The extent to which this will result in disparities in terms of implementation (if the OECD (Organisation for Economic Co-operation and Development) countries implement larger-scale reforms "at home", for example), remains to be seen. China attaches great importance to the agenda, and will also align its international development cooperation activities to the SDGs.

Rising powers: Definitions and concepts

Like other attempts at country classification, the term rising powers is controversial, competing partly with designations including emerging economies, middleincome countries, medium-sized powers or regional powers (see e.g. Paul 2016; Scholvin 2014; Manicom & Reeves 2014). The continuing definitional controversy is justified, going hand in hand, as it does, with core underlying concepts and assumptions about international relations (IR). For the purposes of the present paper, finding a suitable term to describe the dynamic of country types and their demarcation from traditional country classifications is paramount (Paul 2016).

In this respect, past IR discourse has been shaped by the following time-honoured debates, according to which the international system is dominated by one or a few superpowers and, in parts, by further big powers. Depending on the school of theory to which one adheres, there were, or are, various ways of classifying countries and the options for controlling the same above and beyond this very small group of states. Traditional realist approaches, developed by Hans Morgenthau (1963) or Kenneth Waltz (1979), for instance, would describe the medium-sized powers as a category beneath the super- and big powers in the hierarchy of nations, which are unable to trigger processes of change of any great import within international relations. According to this view, medium-sized powers are not proactive, but reactive stakeholders within the international system.

States in the sense of liberal, neoliberal or institutionalist theories, including, in particular, those developed by Robert Keohane (1984), Joseph Nye (1990) and

Stephen Krasner (1983), display a different profile. According to these concepts, medium-sized powers certainly are able to shape international relations, be it via niche diplomacy, norm-setting roles, the use and expansion of multilateral channels or the establishment of international regimes to pursue rule-making within specific policy domains.

It goes without saying that these two briefly-outlined tendencies naturally do not encompass all schools of thought. Here, it is initially merely important to demonstrate that the new and dynamic medium-sized powers constitute a new type of power which differs significantly from the aforementioned earlier discourses. In this respect, the term rising powers creates a meaningful distinction to and demarcation from medium-sized powers such as Australia and Canada, which continue to exist and which are also subjected to a new set of circumstances (Cooper 2013).

Broadly speaking, states which have predominantly experienced a dynamic economic development in the last two decades, which make a pronounced claim to the shaping of the international system, be this primarily at a regional or at a global level, and whose claim is fundamentally accepted by other stakeholders, should, in the sense of the present paper, be described as rising powers. In addition, countries falling into this category are anxious to pursue group interests as rising powers on a global scale by means of new associations (Paul 2016; Prys 2012; Flemes 2009).

According to this characterization China, India, Brazil, and to a certain extent, Russia, form the core of a group identity of this nature. These countries are joined by Argentina, Indonesia, Mexico, Nigeria, Turkey, South Africa and South Korea.

Despite the aforementioned similarities, the heterogeneity of such a group is naturally undeniable. The vast absolute economic powers of China in comparison with those of South Africa, for example, or the populations of the two countries display enormous differences alone. In terms of economic potential, a ratio of 27:1 exists between the two countries, while the population ratio is 25:1¹.

Interestingly, a plethora of new "country clubs", such as BRICS (Brazil, Russia, India, China, South Africa), IBSA (India, Brazil and South Africa) and MITKA (Mexico, Indonesia, Turkey, Korea and Australia) have formed in recent years, which are based on similarly implicit understandings. The rising powers group is also a significant element of a comparatively new club model, together with the traditional G7/G8 (group of 7/8), namely the G20 (group of 20).

At this juncture, it is important to outline two aspects of these dynamic club

¹ Several calculations regarding data for 2015, based on: https://www.cia.gov/library/publications/the-world-factbook/geos/sn.html, viewed on 21.06.2016.

concepts: firstly, the question of whether new club approaches are in the process of emerging which do not display similarities with a canon of joint democratic governance values merely coincidentally, but whether these clubs are striving to pursue external policies which are oriented in line with democratic norms. In this respect, several observers anticipate that IBSA and MITKA will display potential (Husar 2016); however, such an intention is virtually impossible to confirm as far as the policies actually promoted by these clubs are concerned. In addition, the internal democratic model, particularly in the case of Turkey, is currently under pressure², with the result that it appears less plausible for this country to systematically promote a foreign relations policy aligned to democratic values.

A second aspect is the new-found heterogeneity of these clubs, and the permeability in terms of their membership structure. As far as membership is concerned, these clubs do not exclusively include rising powers from the global South. On the contrary, the examples of Russia and Australia demonstrate that a former superpower and a traditional middle-sized power can certainly find a place within the collective strategic promotion of interests³.

Conclusions: Rising powers as global stakeholders

Against this background, it is possible to draw two conclusions from the rising powers debate. On the one hand, it must be stressed that rising powers have a significant potential to shape processes and trigger change, something which differs significantly from traditional discourses relating to medium-sized powers (Klingebiel & Xiaoyun 2015). This sphere of influence is related to shifts in political influence, as the comparative authority of the remaining superpower, the USA, is experiencing ever greater restrictions, and big and traditional medium-sized powers are also suffering a relative loss of importance. At the same time, the power potential of rising powers – as far as China's foreign exchange reserves are concerned, for example, or Turkey's role in the Near and Middle East crisis zones, is increasing.

On the other, it is becoming increasingly apparent that global challenges can only be solved by developing and implementing international networks which are not only as large as possible, but often also transnational in nature. This applies, inter alia, to security- and climate protection-related topics. There is little point in setting $\rm CO^2$ -related global targets without including China, for example, as the *rising powers* have evinced tremendous increases in emissions in recent years

² http://foreignpolicy.com/2016/04/12/turkey-has-given-up-on-democracy-outside-its-borders-too/, viewed on 21.06.2016.

³ At this point, it should also be noted that the membership structures in some of the old club formats are undergoing significant changes. This applies, above all, to the rigorous shifts in membership of the OECD, which no longer constitutes an unadulterated group of Western industrial nations by any means, taking the comparatively new members South Korea and Chile as examples.

(Schellnhuber et al. 2011).

Rising powers have the strong incentive that their roles as global or at least regional stakeholders are acknowledged (Manicom & Reeves 2014; Paul 2016). At the same time, the discussion regarding the question of which norms and standards could be applied by this group of countries as far as their contribution to a global common good, or, more specifically, to the provision of transnational collective goods is concerned, requires further elaboration. In recent years, a debate around whether the principle of "common but differentiated responsibilities" (CBDR) could serve as a road map has developed (Pauw et al. 2014; Besharati 2013). This principle, which derives from the environment economy, would, if only abstractly, determine a fundamental shared responsibility of rising powers in the solving of global problems, yet simultaneously recognise the differing capacities available in terms of addressing these topics, particularly as far as the OECD world is concerned. With a few notable exceptions, intergovernmental negotiations have been unable to draw on such a principle as a point of reference to date. A more detailed examination of the principles surrounding the international involvement of this country group is still pending.

Bio

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Article

The Changing Role of China in Global Environmental Governance

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Abstract

As the largest emitter of greenhouse gases and the largest consumer of various commodities in the world, China has been often seen as a major problem for global transition to cleaner energy and more sustainable use of natural resources. None-theless, with its significant investment in clean energy and support to the Paris Agreement, China seems to become increasingly active in leading actions to protect the environment. Will be China a new leader in global environmental governance? The essay reviews China's proactive environmental policy in three fronts – climate mitigation, green finance, and pollution control. It further argues that a transition to green economy in China requires that private actors be empowered and actively engage in governance, the fragmented governance structure be unified, and public awareness on sustainable development be raised.

Keywords

China, Environmental Governance, Climate Change, Green Finance, Private Actors, Public Awareness

China as a problem or solution?

The economic growth of China over the last three decades is unprecedentedly rapid – the country is now the world's second largest economy and is expected to surpass the US as the largest one in the coming decade. As a result of such growth, China is very often considered as a major rising power continually increasing its impact on global governance. Such growing impact lies not only in the economic and political realms, but also the environmental one. With the world's largest population, China's industrialization is associated with considerable energy consumption and severe pollution. Having burned around the half of the coal consumed in the world, China is the largest greenhouse gas emitter since 2007, and responsible for 27% of the global emissions in 2014 – more than the US and the

EU combined¹. Meanwhile, the rising standard of living makes China the largest importer of many raw materials and thereby lead to some damaging consequences for the global environment (Economy & Levi 2014).

Does China's growth make a threat for our world's sustainable development? On the one hand, China presents considerable challenges to global environmental governance as the biggest polluter. In respect to environmental diplomacy, China has been blamed for wrecking the climate negotiation in Copenhagen (Dimintrov 2010; Lynas 2009). Moreover, some scholars have also expressed their concern on China's growing consumption which leads to a race to the bottom of environmental standards for the production in other developing countries (Kaplinsky et al. 2011).

On the other hand, the world's worst polluter has already begun to take ambitious actions and made nontrivial progress in the past. From 2004, the country has multiplied its investment in renewable energy 13-fold by 2010 and another two and half times by 2015 to US\$102.9 billion – by far the world's largest investor (Frankfurt School-UNEP Centre 2016). To tackle its air pollution, the state also introduced a comprehensive action plan in 2013, pledging an investment of 1,700 billion yuan (US\$277 billion) from the central government (China Daily 2013). With various efforts by its government, China reduced its energy intensity by 18.2% and carbon intensity by 20% in the 2010-2015 period. Hence, one may think China as not a threat to the planet, but rather the model for how to clean it up (The Economist 2013).

What is the role of China in today's global environmental governance? Is the country emerging as a new leader of green economy? This essay attempts to answer these questions by reviewing China's recent efforts in environmental policy and analyzing major challenges that remain in making its development model truly sustainable. It argues that to achieve its ambitious plans on environmental governance the Chinese government needs to enhance the participation of private actors in governance, restructure its fragmented governance structure and raise public awareness on sustainable development.

China's remarkable efforts in environmental governance

As a developing country, China is a latecomer in global environmental governance and for a long period was keeping reluctant to make any commitment. In 1972, China did not sign the final agreement at the UN Conference on the Human Environment; at the UN Conference on Environment and Development in 2009, the then Chinese premier minister emphasized economic development and

¹ Data provided by the Global Carbon Atlas, downloadable at http://www.globalcarbonatlas. org/?q=en/emissions.

national sovereignty as the country's main concern. More recently, as mentioned earlier, it prevented with India and Brazil a global agreement of climate change in 2009 (Dimitrov 2009). Accordingly, some scholars even comment that "China is extremely skeptical towards externally enforced measures that would undermine the potential for social and economic development for the sake of climate change" (Lo 2016, p. 38). However, China's environmental diplomacy seems to change rapidly over the last few years – with its ambitious actions and plans at the domestic level, China is increasingly active in global environmental governance.

Proactive actions on climate mitigation

Combating climate change seems the most prominent component of China's new environmental policy. Starting from its 11th Five-Year-Plan (FYP) set in 2005, the Chinese government spares no effort to decrease national energy intensity and build up a set of strategic low-carbon industries (Lewis 2013). Specifically, since 2007 the state has shut down thousands of inefficient power and industrial facilities so that its energy consumption per unit of GDP continues to decrease over the last decade - 19.1% from 2005 to 2010 and 18.2% from 2010 to 2015, and a target of further 15% decrease by 2020 has been set in its 13th FYP. More importantly, because of a strong policy for energy reforms including the Renewable Energy Law launched in 2006 and massive state-led investment, the proportion of non-fossil fuels in China's energy mix has reached to 12% by 2015 and the carbon emissions per unit of GDP has been reduced by 20% between 2010 and 2015². In addition, China has also initiated domestic carbon trading to combat climate change: it has started seven pilot markets at the city- or provincial level in 2014 and the goal is to make a national cap-and-trade system full in operation between 2017 and 2020 (Lo 2016).

Such progress helps China make ambitious pledges in the international arena. In its "intended nationally determined contribution" submitted to the UN Framework Convention of Climate Change in June 2015, China puts forward several concrete and challenging goals of its climate actions by 2030, including: peaking its CO2 emissions around 2030 and strive to peak early; lowering CO2 emissions per unit of GDP by 60% to 65% from the 2005 level; increasing the share of non-fossil fuels in primary energy consumption to around 20%; and increasing the forest stock volume by around 4.5 billion cubic meters on the 2005 level (NRDC 2015).

In fact, since 2014, China began to play a key role in facilitating the conclusion of the Paris agreement by reaching a Joint Announcement on Climate Change with the US where China for the first time indicate a goal on emissions peak. In

² Data from China's 13th FYP, see the full Chinese text http://news.xinhuanet.com/politics/2016lh/2016-03/17/c_1118366322.htm.

September 2015, the Chinese and American leaders made a Joint Presidential Statement on Climate Change to coordinate their position for the Paris conference. During the negotiations in last December, China is no longer an obstructive player, but rather called for a strong legally binding character for general obligations (Dimitrov 2016). Finally, just a few weeks ago, China ratified the Paris Agreement together with the US and the two countries also announced their plan to address another important greenhouse gas - Hydroflurocarbons (HFCs) – in an amendment of the Montreal Protocol and their backing for action on aviation emissions under the International Civil Aviation Organization (UNFCCC 2016).

An emerging leader of green finance

Another area where China shows its willingness to take leadership role concerns green finance. Since 2013, the Chinese government launched a range of initiatives in order to establish a green financial system. Following the plan to grow a corporate green bond market to assist China's transition to a low-carbon economy announced by the State Council, the People's Bank of China (PBoC) – China's central bank – and the UNEP initiated a Green Finance Task Force in 2014, which comprises more than 40 Chinese and foreign experts from regulatory institutions, think tanks, academia and the private sector. This task force proposed in April 2015 fourteen specific recommendations for building China's green finance system and in December, the PBoC published the Green Bond Guidelines with the Green Bond Endorsed Project Catalogue. The green bond market grows incredibly fast in China – just in January 2016 two commercial banks issued more than US\$ 4.5 billion bonds, and two months ago the Bank of China launched the largest multi-denominated issue of green bonds so far on international markets, worth US\$3 billion (Xu & Wang 2016).

Indeed, China's move towards green finance constitutes a key element of a reform on green economy identified by the country's 13th FYP for the period of 2016-2020, which aims to build a green financial system, develop green credits, green bonds, and establish green development funds. More recently, China's leadership shows its determination on the issue by approving on August 31, 2016 the "Guidelines on Establishing the Green Financial System" jointly issued by seven government agencies. In putting forward a wide range of financial instruments, these guidelines can be seen as the world's first attempt at an integrated policy package to promote an ambitious shift towards green economy (Ma & Zadek 2016).

On the international stage, China also show its intention to lead a global reform. With its presidency in this year, China puts green finance high on the G20's agenda; and the PBoC co-chaired with the Bank of England the G20 Green Finance Study Group to promote cooperation on a green financial system and develop the attractiveness of green finance. As a result, one remarkable outcome of the G20 summit in Hangzhou is to recognize the importance of scaling up green financing and identify a range of efforts needed. Furthermore, China's efforts on green finance extends to its oversea investment including the multilateral development banks under its leadership – the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank ('BRICS Bank'). Through these multilateral banks, China can vitalize green finance on a global scale, taking the world to a tipping point (PBoC & UNEP 2016).

War on pollution

Last but not least, the Chinese government puts a lot of emphasis on pollution control as response to the increasing public concern on the country's environmental degradation. With the media coverage of hundreds of incidents, pollution has already become a top concern for the Chinese public in recent years (Wike & Parker 2015). China's top leaders realized this legitimacy crisis caused by their insufficient control of pollution and therefore give priority to the issue. In 2012, the Chinese Communist Party revised its constitution by adding in the Party's overall plan "the establishment of an ecological civilization", identifying resources conservation and environmental protection as basic policies. Meanwhile, from 2011 to 2014, China's legislative body has amended its Environmental Protection Law (EPL). This new law, taking effect since 2015, sets forth a stringent legal framework for China's sustainable development with critical revisions in several aspects including toughening penalties for environmental offenses, establishing a public environmental litigation system which largely increases the number of groups eligible to bring lawsuits, requiring the local environmental protection bureaus to disclose environmental information, and building unified pollution control and coordination mechanism for some key areas across administrative units (Zhang et al. 2016).

Furthermore, over the last three years, the State Council has released three specific action plans of prevention and control respectively for air (in 2013), water (in 2015), and soil (in 2016) pollution. Many ambitious targets have been set in these plans. On air pollution control, by 2017 China aims to reduce the consumption of coal to below 65% in terms of total energy consumption and cut the level of fine particulate matter (PM2.5) in Beijing-Tianjin-Hebei Province, the Yangtze River Delta, and the Pearl River Delta by 25%, 20% and 15% respectively. In the plan on water, the targets by 2020 are to lift the share of good quality water (ranked at national standard three or above) in seven major river basins to more than 70% and to ensure at least 93% of urban drinking water supply to be at least 'level three' (i.e. a drinkable standard). With respect to soil, the relevant plan aims to decontaminate 90% of the nation's polluted farmland and industrial sites by 2020.

Obstacles to overcome in the journey towards a green future

The various ambitious plans highlighted above embody the determination of China's leadership in improving the country's environment and also contributing to global sustainability. Despite this, China's ultimate impacts on the global environment will depend on the implementation of such plans to which the current governance model in China poses considerable obstacles. This section points out three key areas for future reforms if China's leaders really wants to build an ecological civilization for the wellbeing of people in China but also around the world.

Changing the relative power dynamic between the state and society

To begin with, private actors have to be truly empowered and engaged in governance. Similar to its path of economic takeoff, China's achievement in environmental policy can be attributed to the state's strong presence, namely a top-down approach through command-and-control mechanisms led by Beijing. However, this approach has shown its limits as private actors – business, NGOs, and the public – have few opportunities for formal participation in the political process (Economy 2014).

As local governments often prioritize economic growth over environmental protection, the frequency and scale of environmental protests are quickly increasing across all China, in both urban and rural areas (Albert & Xu 2016). Internet further helps more Chinese citizens express their outrage for the government's inaction against pollution, and call for their right to know. Hence, for having a sustainable future, China can no longer rely on its previous mode of governance led by the state, with little support from business and civil society. Instead, the government needs private capital to finance its pollution control and energy transition, expertise of private actors to develop relevant technology, and supervision of civil society for further transparency. While most plans mentioned above include an element of enhancing public participation, so far the reforms in this respect seem insufficient.

First, the revised EPL fails to pronounce and acknowledge environmental rights, and it does not allow many private actors, such as individuals, to bring lawsuits (Zhang et al. 2016). This flaw will bring huge barriers for private actors participating in governance, especially when they want to challenge the government's misconduct. Second, civil society is tightly controlled by the government so that environmentalism as a mass movement is still in its infancy in China (The Economist 2013). Although the Chinese government is increasingly responsive to public pressure on environmental issues, it remains concerned that environmental activism could lead to a broader push for political reform (Economy 2014). Thus, the lack of a vibrate civil society inevitably hamper the public to put pressure to the government or polluters. Lastly, on green finance, China has not established

a credible third-party verification system to evaluate whether or not projects are eligible as "green" (Xu & Wang 2016). Such a system is necessary for a successful green financial system and the engagement of private actors including auditors, standard-setting institutions, and rating agencies are indispensable.

Reforming the fragmented governance structure

Moreover, the Chinese government must structure both horizontally and vertically its fragmented governance system to carry out unified policy management. On the one hand, the poor track record of China's environmental performance is often caused by overlapping authority across different government agencies (Economy 2014; Wang et al. 2016). Taking the example of water pollution, the relevant regulatory responsibility is shared by various ministries, including Ministry of Environmental Protection responsible for pollution prevention and control, Ministry of Water Resources in charge of protection of land-based water resources, State Oceanic Administration if the pollution concerns seawater, Ministry of Housing and Urban-Rural Development taking care sewage treatment plants, and Ministry of Agriculture overseeing water pollution from farmland. As pollutants can come from different sources and move, in many cases these agencies are unclear about their responsibility and the actions they need to take. It is therefore of paramount importance to formally set a unified governance system led by one leading agency to coordinate the actions and prevent slackness.

On the other hand, unified management across subnational units is also critical to the effectiveness of governance. In this respect, China's decentralized authoritarian system which lacks enforcement by the central government seems "highly damaging" to the environment (Economy 2014). Indeed, pollution often affects different administrative units at the same time, so the government needs a unified approach to ensure the adoption of control measures in the whole polluting area while prevent free-riding. Following this logic, the action plan on air pollution proposes unified governance of some key areas comprising different provinces. Looking ahead, the government should introduce such initiatives to other environmental issues and deepen the reforms in this direction by creating the regulatory entity and establishing the monitoring system for each area.

Raising public awareness on the broader issue of sustainable development

Finally, an efficient governance system should be based on public awareness about environmental protection and more broadly sustainable development. While the Chinese leadership has put sustainable development high on the government's agenda, many Chinese citizens still lack a thorough understanding on environmental impacts of their behavior. Indeed, most participants in environmental protests only care about their local situation, instead of the overall environment, implying a strong feature of Nimbyism (not-in-my-backyard) in today's public participation. Hence, a big question mark remains over the behavioral changes of the Chinese public to support the government's policy.

Indeed, a growing public environmental awareness has the potential to accelerate China's green reforms by leading consumers to choose environmentally-friendly or energy-efficient products over conventional ones. Such changes in people's daily life can provide further impetus through supply chains to the transformation of China's development model. More broadly, market pressure as well as environmental awareness of business leaders can push companies to be more socially responsible. In recent years, some initiatives have been launched such as the Sustainable Consumption Week co-organized by UNEP, WWF, and China Chain Store & Franchise Association, but more campaigns and activities will be needed in order for more Chinese changing their behavior in line with sustainable development.

Another critical issue lacking attention in China is the impact of China's development on natural resources beyond its borders. The continuous expansion of its domestic market has made China the world's largest importer and consumer of many commodities and thereby negatively affects the environment in other developing countries. For instance, by accounting for half of all trade in illegal woodbased products, China's growth indirectly exacerbates deforestation in Africa and Southeast Asia (Hoare 2015). Similarly, China's growing meat consumption is causing increasing land clearing for soybean plantation in Brazil (Brown 2012); and Chinese appetite for seafood is also criticized as a major source of global overfishing and illegal fishing (Economy 2015). Nonetheless, most Chinese know little about such consequences of their rising standard of living, and consequently lack incentives to push the government taking responsibility or change their own consumption behavior. Therefore, raising public awareness about China's environmental impact on other countries is a necessary part of the solution for the depletion of global natural resources.

Conclusion

Environmental governance is critical to China's future because better environment and cleaner energy are helpful to restoring the government's legitimacy, moving towards a sustainable model of economic growth, and build an image of responsible rising power. Having realized the importance of environmental protection, China launched its reforms of environmental policy since more than ten years ago and has made important progress in the past decade, especially on the reductions of energy and carbon intensity. More recently, China's leadership announced ambitious plans to mitigate climate change, promote green finance, and control pollution, showing more openly to the world their determination to move from a laggard towards a new leader in global environmental governance. While these changes seem encouraging, the actual impact of China's actions remains highly uncertain because of many challenges in the policy implementation. For the success of China's transition to green economy, future reforms need to be focused on three areas: institutionalizing channels of engagement between the government and private actors, establishing unified governance system without overlapping authority across regulatory agencies, and raising public awareness on the broader issue of sustainability. Without these reforms, China can hardly meet its targets. By contrast, if it can deepen its reforms in these aspects, China will have a chance to provide its timely solutions to today's global environmental crisis from which our future generations will benefit.

Bio

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Article

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

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Abstract

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

Keywords

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

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

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

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

China's Leadership in Global Economic Governance

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

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

over the past few decades suggest rising powers like China will seek greater status and power in global economic governance, including in development financing.

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

China's Frustration with Legacy Global Economic Institutions

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

In Table 1, we display total number of votes, voting shares, and change in total votes and voting shares for select member governments in the WB in 2005 and 2015. The WB implemented several high profile changes to its internal governance during this time period. We first note that the share of votes cumulatively held by members not listed here decreased by almost two percent. China's total votes increased from 45,049 to 107,249 which in absolute terms appears to be a dramatic upsurge. India, by comparison, only saw its total votes increase from 45,045 to 67,695. The largest percentage increase in total votes of those listed was experienced by Turkey whose vote total in 2015 is three-times that of 2005. It is the share of votes, however, that reveals the change in the relative position of WB members. During the Bank's lifetime the U.S. has held the largest percentage of

votes and enough votes to hold a de facto veto over items requiring the Bank's highest qualified majority to pass. Over the period presented in Table 1, the share of votes held by the U.S. decreased very slightly. Japan, which became the second highest shareholder in the 1990s, also experienced a slight decrease in its voting share. China's voting share increased to 4.83 percent from 2.78 percent, ranking the PRC as the third largest shareholder. In 2005 its position was about on par with Russia but with the recent voice reforms, voting share shifted to China. What stands out in the 2015 voting shares is that while China's national product has surpassed that of Germany, Japan, the UK, and France (in purchasing power parity terms), its voting share in the WB does not fully capture this systemic change.

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

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

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

In Table 2 we display the same information for the AsDB. China joined AsDB in 1986 with just over a 6.0 percent share of votes. Unlike in the WB (and IMF and UN) China's membership in the AsDB was not predicated on supplanting Taiwan and the two governments are both full members of the Bank (Hong Kong also has its own representation). A capital increase in the AsDB was implemented over the 2009-2010 period. Most members experienced roughly a threefold increase to their total votes. China, for example, saw its votes increase from 241,709

to 723,564 while India's votes increased from 237,242 to over 710,000. Prima facie, these values appear to reflect significant increases in the voices of these two rising powers in the AsDB. The relative effect of the capital increase, however, was minimal. China has a lower share of votes in 2015 (5.45 percent) than it was allocated during the first year of its membership (6.15 percent) and lower than it held in 2005 (5.57 percent). What is notable in the AsDB, therefore, is the stagnate voice of China in terms of its relative voting share. The U.S. and Japan have maintained their stranglehold on voting shares in the AsDB and since 2005 there has been little if any movement in the relative shares held by member governments.

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

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

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

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

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

China's Neoteric Vision and Leadership in the AIIB

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

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

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

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

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

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

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

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

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

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

Conclusion

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

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

We can conclude that despite the conspicuous changes to the world political

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

Bio

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Article

Rising Powers in the Global Trading System – China and Mega-Regional Trade Negotiations

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Abstract

This article investigates the role of rising powers in the global trading system – within the World Trade Organization (WTO) and beyond the WTO. It explores the emergence of bilateral and (mega-)regional agreements such as the Transpacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) and their implications for the global governance of international trade. It examines how China and other rising powers are reacting to the changing land-scape of trade governance and explores the impacts on developing and emerging economies. Safeguarding the future of the global trading system – especially the WTO as a forum for multilateral negotiations – requires reform. The article assesses the current institutional inequality of the global trade system and argues that the status quo serves to limit change within the WTO. The current institutional set-up of the global trading system beyond the WTO must also be examined. The article further points out that the G20 could play a key role in the WTO and reform of the global trading system.

Keywords

Rising Powers, Global Economic Governance, Mega-Regionals, World Trade Organization (WTO), Transatlantic Trade and Investment Partnership (TTIP), Transpacific Trade and Investment Partnership (TPP)

Introduction

During the Chinese presidency of the Group of 20 (G20) in 2016, international trade and investment played prominent roles. The importance of international trade and investment for the G20 was manifest throughout the Chinese G20 presidency, particularly in the Trade Ministers Meeting Statement issued in July 2016 and during the G20 Hangzhou Summit in September 2016.

International trade has been on the G20 agenda since the first "leaders" summit

was held in November 2008, during the global financial and economic crisis and a phase of strongly contracted global trade. Recalling that the post-1929 economic crisis was only deepened and prolonged by waves of protectionist measures, the G20 countries committed to not erect any new barriers to international trade. The commitment to successfully conclude the Doha Development Agenda (Doha Round), multilateral negotiations being held under the auspices of the World Trade Organization (WTO), has been part of the standard repertoire of G20 summit declarations. However, G20 summits have not paid much attention to reforming the global trading system: Declarations typically contain vaguely drafted commitments to strengthen the multilateral trading system and statements about making bilateral and regional and plurilateral trade agreements complementary and in conformity with WTO rules.

Despite all that, since the last WTO ministerial meeting in Nairobi in December 2015, the future of both the Doha Round and the WTO's multilateral negotiating pillar are more uncertain than ever. Deadlocked by the imperative to find consensus, WTO member states have not been able to successfully conclude the Doha negotiations – after more than 15 years. In 2015, important member states, notably the United States of America (US), declared themselves in favor of terminating the Doha Round. However, many emerging and developing countries insist that it be continued. In reaction to the Doha Round's creeping progress, the major trading powers, led by the US and the European Union (EU), are increasingly negotiating bilateral and regional trade agreements.

To safeguard the future of the global trading system – particularly the future of the WTO as a forum for multilateral negotiations – reform options must be considered. Any reform must also take account of the Agenda 2030 for Sustainable Development and the 17 Sustainable Development Goals (SDGs) it enshrines, which were adopted by all United Nations (UN) member states in 2015. The SDGs call for "a universal, rules-based, open, non-discriminatory and equitable multilateral trading system". But such a system is coming under increasing pressure from the mushrooming free trade agreements.

Mega-regional trade negotiations – deep integration partnerships between countries or regions with a major share of world trade – have recently become ever more relevant. Yet China and other rising powers are not among the negotiation partners. Mega-regional agreements – like the Transpacific Partnership (TPP), signed in February 2016 by the US and 11 other Pacific Rim countries and the Transatlantic Trade and Investment Partnership (TTIP), which the US and the EU are currently negotiating – cover huge shares of global trade and investment flows and aim to do more than reduce tariffs. They also seek to regulate such issues as competition, investment, and standards. Both the TTIP and the TPP reflect economic interests and are induced by geopolitical and strategic reasoning – especially with a view to China and an attempt to "contain" the rising power.

What do mega-regional trade agreements imply for global governance of international trade – especially from the perspective of rising powers and developing countries? Which role could the G20 play in this context? For more than half a century, institutions of the global economic governance architecture, including the General Agreement on Tariffs and Trade (GATT) and the WTO, were dominated by the US and other advanced industrialized states (Gilpin 1987; Ruggie 1996). Developing countries have not been powerful actors in global governance. Now, however, rising countries such as China, India, and Brazil (Beeson & Bell 2009; Hurrell 2006; Margulis & Porter 2013; Mittelman 2013; Stephen 2012; Young 2010) are challenging the dominance of the old powers. Can rising powers like China foster alternative, and potentially more equitable, approaches to governing the global economy (Hardt & Negri 2000; Pieterse 2000; Evans 2008; Strange 2011)?

This article explores how rising powers and developing countries are confronting the institutional inequalities in the global trading system, that is, "characteristics of international institutions that systematically privilege powerful over weak states" (Fehl 2014). It investigates the notion of institutional inequality in the WTO and it explores the extent to which bilateral and (mega-)regional trade agreements challenge the WTO as a multilateral decision-making forum for global trade rules, how mega-regionals emerge in response to power shifts in global economic governance, and how the rising powers are reacting to the changing landscape of trade governance.

The article also explores the role of rising powers in the global trading system given the ongoing process of institutional layering and "forum shopping" – as well as indications of a more substantive "regime shift". In forum shopping, the shopper strategically selects a venue to gain a favorable decision regarding a specific problem (Drezner 2009); in "regime shifting", actors redefine the larger political context so as to ultimately reshape the system of rules itself (Alter & Meunier 2009). This article argues that some members of the WTO, the dominant ones, benefit from the current process of layering, shopping, and shifting. These mechanisms, as is argued in this paper, have become considerably more relevant due to the emergence of mega-regional trade agreements.

The article shows that when examining how the institutional status quo limits institutional changes *within* the WTO, the situation outside that multilateral forum also must be addressed. Since the old powers have much better opportunities to engage in inter-organizational strategies such as forum shopping (Drezner 2009) and regime shifting (Alter & Meunier 2009), they can pressure countries which cannot reshape the system as easily and thus have less attractive "outside

options" beyond the WTO. The behavior of actors within individual organizations like the WTO must be analyzed – as well as the wider institutional context which may involve other organizational mechanisms to increase, balance, or reduce inequalities.

The remainder of this article discusses the role of rising powers in the WTO and explores the emergence of bilateral and (mega-)-regional agreements and the implications for the global governance of international trade, focusing on how rising powers are reacting to the changing landscape of trade governance and the repercussions for developing and emerging economies.

Rising Powers in the World Trade Organization

In the WTO, agreements are *formally* reached on the basis of consensus, which makes the GATT/WTO system seem remarkably egalitarian when compared with the systems of voting according to economic weight at the IMF and the World Bank. However, for the most of its history, the GATT/WTO system has been dominated by the US and other economically powerful countries: The most significant negotiations take place in *informal* meetings of an elite inner circle of states. For quite a while, well into the Doha Round that started in 2001, the traditional powers managed to keep the rising powers from unsettling their hierarchy, for instance by claiming that the new round of negotiations would be a "development round" but not questioning if big emerging economies like China, India and Brazil should still be called "developing".

In the Doha Round, the traditionally dominant powers began to be more open to the idea of altering the old hierarchy. Changes were accelerated when, prior to the Cancun Ministerial in 2003, the EU and the US introduced a joint proposal on agriculture that triggered strong opposition from developing and emerging economies and encouraged Brazil and India to cooperate. The two countries created a major coalition of developing and emerging economies – the Group of 20 in the WTO (G20-T), which helped to defeat US and EU proposals in Cancun and destabilize the WTO's traditional power structure (e.g. Looney 2004; Baldwin 2006; Clapp 2006; Hurrell & Narlikar 2006; Evenett 2007; Grant 2007; Ruiz-Diaz 2005; Hopewell 2015). Under the leadership of Brazil and India, the G20-T transformed the WTO's institutional inequality. After Cancun, the old inner circle of the "Quad" (US, EU, Japan, and Canada) was replaced by a new inner circle, which included not only the US and the EU but also Brazil and India and later also China, thereby changing the negotiating hierarchy. Less powerful countries also got more say in different stages of WTO negotiations.

Whereas Brazil and India entered the inner circle of the WTO after 2003, China, which had joined the WTO in 2001, kept a more low-key profile in the nego-

tiations. Then, in 2008, it was invited to join the inner circle (Hopewell 2015). China's growing status in the WTO – and other domains of global governance – has largely been driven by its increasing economic weight (Ikenberry 2008; Babones 2011; Beeson 2009; Breslin 2010; Hung 2009; Subramanian 2011; Wang & French 2014): It is now the world's second largest economy and the world's largest exporter of goods.

However, the rising powers were not admitted to the inner circle and the WTO's informal inequality was not undermined only because of a changing and more equitable distribution of economic power: Brazil and India, economically not as weighty as China, were able to rise because of their mobilization and leadership of developing and emerging economy coalitions during the early years of the Doha Round (Hopewell 2015). By building successful coalitions, Brazil and India became the first countries capable of challenging the traditional powers, overturning the old power structure, and emerging as key new actors in the WTO. However, coalitions tend to be less stable and effective than economic might. Analysis of recent developments in the global trading system beyond the WTO shows that the role of economic factors cannot be denied and that the institutional status quo thwarts rising powers' efforts to promote their changing power positions and normative claims about the future design of the multilateral trade regime.

Over the years, the G20-T coalition had been strained, particularly prior to and during the WTO Nairobi Ministerial in 2015. In Nairobi, the industrialized countries wanted to prematurely end the Doha Round or, alternatively, to expand the Round's ambit by including their "new" issues of interest, including e-commerce, labor, environment and competition policies, which developing countries oppose, fearing that high standards might act as non-tariff barriers, hurting their exports. During the final night of the Ministerial in Nairobi, at the meeting of the inner circle of negotiating countries, India and China fought for clear language reaffirming the continuation of the Doha negotiations. During the marathon negotiations, India apparently yielded ground while the US and the EU - with Brazil - managed to secure a substantive agreement about eliminating agricultural export subsidies, which many hailed as a milestone. The agreement did not accommodate India's demand for a definite time-frame on public stockholding programs and a 'special safeguard mechanism' (SSM) that would allow tariffs to be introduced in case of an import surge. India was eclipsed in the WTO and the G20-T, and Brazil and India's once decidedly successful coalition fell apart.

Why did the G20-T coalition fail, and with it the ability of rising powers like Brazil and India and developing countries to challenge the WTO's inequality? Brazil and India were highly dependent on the backing of other states. The two countries also disagreed on the "development discourse," with India referring to the development concerns of the poor in food-net-importing countries and Brazil focusing on net exporters. Another source of instability for rising powers and developing countries is that the old powers have better outside options beyond the WTO.

Arguably, the multilateral system became increasingly unequal during the first decades of its existence, with the Quad countries establishing a hierarchical order of states and tendencies towards exclusiveness. Especially following the Uruguay Round of trade negotiations and during the Doha Rounds, efforts have been made to better include emerging and developing countries in the agenda-setting and negotiation processes, reducing the procedural inequality. In the WTO, just as in the context of other international institutions, "ideational" and "material" factors matter (Fehl 2014), and they seem to foster less inequality in the WTO over time. Normative demands usually favor equality over inequality. Recent global economic power shifts and the rise of new powers have reduced inequality in the distribution of economic capabilities, which in turn could foster more equality, both formally and informally. However, as subsequent sections illustrate, the prospects for less institutional inequality in the global trading system have fewer clear-cut positive implications than might be expected.

Mushrooming Free Trade Agreements

An examination of the whole trading system – including the free trade agreements that are mushrooming outside the multilateral regime – underlines the significance of the institutional status quo of formal equality in the WTO. Formal equality in consensus decision-making contributes to deadlock and constrains efforts by the wider WTO membership to effectively promote their power positions and normative claims for the future design of the global trading system: Powerful members can always threaten to abandon the WTO as a forum for making trade rules and focus on (mega-)regional rather than on multilateral trade deals – thereby undermining the WTO's centrality. In response to changes in the WTO that create more equality among all the member states, the powerful members can simply set up new, even more unequal institutions that weaken, and to some extent replace, the multilateral institution.

This process can be illustrated in the context of the global trading system: The slow progress of the Doha negotiations has led to debates about reforming the trade regime, such as by abandoning consensus decision-making for majority voting. However, such reforms have not been instituted. Instead, deadlock in the WTO rather generated an institutional innovation to sidestep the blockage through more and more bilateral and (mega-)regional rather than multilateral approaches. There is now a "spaghetti bowl" (Bhagwati 1995) of trade agreements: Hundreds of such free trade agreements have been concluded. But bilateral and regional trade-rule-making tends to entail more inequality than multilateral trade-rulemaking because less powerful countries have fewer – if any – options to veto the proposals of the more powerful, and fewer opportunities to create coalitions.

Recently, mega-regional trade negotiations have become increasingly relevant. If mega-regionals like the TPP and TTIP are established, a number of third countries, including rising powers and developing countries, are likely to suffer from the negative impacts of these agreements. Trade agreements lead to trade diversion effects. For example, lower trading costs between the USA and the EU would lead to increased trade between the two economies and reduced trade with third countries. Moreover, with regard to TTIP, the US and the EU will write new rules in areas such as intellectual property rights which could raise the threshold for enterprises which seek to enter the North American and European markets. TTIP is expected to negatively affect a number of developing countries and emerging economies including China (Felbermayr et al. 2015). China and other developing and emerging economies, including Thailand will also be negatively impacted by TPP (Petri & Plummer 2016).

So why are third parties – all the countries excluded from mega-regional negotiations – willing to accept institutionalized inequality in the context of the rise of mega-regional agreements? Many have no choice. They probably will have to respect the rules of mega-regionals in the future even though they have had no say in shaping them. They also cannot stop these initiatives that are occurring outside the multilateral trading system. In the context of TTIP and TPP, strong states, led by the US and the EU, write institutional rules which benefit them and generate positive (Pauwelyn 2014) as well as negative externalities, for instance through trade diversion. All the states that are not at the negotiation table for the new mega-regional agreements will end up being rule takers with regard to many of the important trade rules of the future.

Moreover, the better outside option of the old powers in the context of megaregionals puts the rest of the WTO membership under pressure. For example, given the proliferation of bilateral and (mega-)regional agreements at the 2015 WTO Ministerial, many member states, including the rising powers, felt they had to agree to the proposed Nairobi Package. The lack of any outcome could have helped foster "the end of the consensus-based organization as a meaningful negotiating forum and usher in an era dominated instead by mega-regional deals like the Trans-Pacific Partnership, where the US gets to choose who's in and who's out" (Guida 2015).

As the US Senate Finance Committee Chairman put it: "America can't wait [for] China and India... Instead, we should aggressively push for the conclusion of high-standard trade deals with our partners, who are willing to abide by the rules and meet the terms of our agreements" (Guida 2015). According to other observers, developing countries "have not woken up that this is a different world... If they're not going to play ball in the WTO, the US and EU will pick up the ball and go play somewhere else" (Guida 2015). TTIP and TPP might thus be regarded as wake-up calls to other WTO members who will make compromises for fear that the US and the EU will lose all interest in the multilateral negotiation forum of the WTO. This is bad news for developing countries: Especially less powerful, poorer countries need the WTO in order to have a better chance to be heard.

China and Mega-Regional Trade Negotiations

The developing countries' exclusion from negotiating new agreements such as the TPP and the TTIP, whose rules they will nevertheless have to follow because of the sheer market power of the countries involved, raises important questions concerning inequality. The countries that are relatively insignificant in terms of economic status and geopolitical position have the most to fear from mega-regionals. African countries, for example, are not part of any mega-regional negotiations.

On the other hand, rising powers are in a better position to enter the competition for regional trade partnerships due to their economic and political weight. Indeed, China has put the spotlight on this challenge. Partly in reaction to TTIP and TPP, China has promoted "The Belt and Road Initiative" that focuses on connectivity and cooperation between China and the rest of Eurasia. It has also been actively promoting regional trade partnerships, pushing the Regional Comprehensive Economic Partnership (RCEP), a proposed mega-trade agreement in Asia.

More recently, China has begun to take interest in joining other mega-regionals, above all TPP. Its "wait and see" attitude indicates that China might be willing to join TPP at a later stage (Naughton et al. 2015). Simulations of several ongoing mega-regional negotiations suggest that China's accession to TPP and membership in RCEP would generate the highest welfare outcomes for China (Li et al. 2016).

While China has become an initiator and active supporter of mega-regional trade negotiations and related activities (He & Yang 2016), Brazil and India have been more passive. India is worried about how TTIP and TPP will impact its economy. With regard to TPP, India is concerned about finding itself in a chess game between the "Chinese dragon" and the "US eagle" (Lehmann & Fernandes 2014). In the past, India has been wary of free trade agreements and focused mostly on regional and South-South agreements (Lehmann & Fernandes 2014). While India is participating in the RCEP negotiations, the country has not been pushing other regional and mega-regional initiatives. Compared with China, India has removed barriers to international trade slowly over the last decades. Its cautious

approach to trade liberalization can be explained by India's complicated political system, which undermines compromises on trade policy, and its concerns about the potential effects on the poor: Almost one third of the Indian population still lives below the poverty line (Lehmann & Fernandes 2014). At the same time, the risks of isolation and being a mere rule taker provide the Indian government with reasons to become more active in the trade arena – above all in the multilateral system, but also in the G20. For instance, perhaps with China and Brazil, India could propose negotiations to open up goods and services markets among all developed economies and the G20 developing and emerging economies, with the option for others to participate at a later stage (Kelkar & Singh 2015).

Brazil has not been very involved in negotiating free trade agreements and instead has strongly focused on the multilateral trade liberalization track of the WTO. Brazil's main preferential agreement in terms of trade value is MERCO-SUR (the Southern Common Market). Brazil does not belong to any of the recent or current mega-regional negotiations and has not concluded any significant free trade agreements in the last two decades (George 2016). The country must decide whether to concentrate on increasing the competitiveness of its industry or strengthening its position in the global trade governance arena (Giacalone 2015). While Brazil is reluctant to liberalize trade and maintains relatively high trade barriers, there have been recent indications of a potential change in attitude. Along with other drivers such as the recent economic slowdown, TTIP seems to have convinced the Brazilian government and its economic elites of the need to consider being more open to the globalized world (Malamud 2014). Moreover, there have been a number of ideas for novel or re-launched Latin American initiatives - for instance, the convergence of MERCOSUR and Pacific Alliance and the acceleration to enlarge MERCOSUR - partly in response to TTIP. As the region's largest economy, Brazil is in a key position to influence the potential and limits of these options (Giacalone 2015). Mega-regional trade negotiations can thus be said to affect Latin American regional integration and Brazil's stance towards trade agreements.

While the rising powers have some leeway to counter the US- and EU-dominated TPP and TTIP initiatives, they are still concerned about being excluded from these agreements. Chinese spokesmen have several times voiced concern about their country's exclusion from TTIP and TPP. The start of the TPP negotiations created anxiety in China about how TPP might embody a US strategy to contain China. More recently, the spotlight has shifted to TTIP and the challenges of that transatlantic deal for China (Yang & Yiwei 2015).

In light of TPP and TTIP, Chinese experts and decision-makers have continuously underlined the WTO's importance for the global trading system as well as the potential of the G20. "The international community should maintain communications on global trade, especially through the institutionalization of the trade ministers' conference of the G20," as Wang Wen, the executive dean of Chongyang Institute for Financial Studies, stressed during a talk on the rise of trade agreements (Yiming 2016). The G20 Leaders' Communique of the Hangzhou Summit during the Chinese G20 presidency stresses the commitment to "work together to further strengthen the WTO."

The overall concern is that rising powers such as China could react to US- and EU-lead mega-regional negotiations by fostering opposing trade blocs. Rather than following a largely exclusive approach, the transatlantic partners should focus on global cooperation and work with rising powers and developing countries, especially given these states' economic potential and global challenges in other policy fields, such as climate change, which can only be overcome together (Berger & Brandi 2015).

Conclusion

Mega-regional trade agreements are undermining the multilateral trading system more than ever. To secure the WTO's future as a forum for negotiations, it is necessary to discuss reforming the global trading system. Such a debate has become more pressing – above all from the perspective of developing countries that suffer most from the weakening of the WTO.

This article has illustrated that the institutional status quo can limit actors' efforts to make use of their changing power positions. It has also shown that it is not just an institution's status quo that matters, in this case that of the WTO, but also the institutional context and member states' outside options. If, as with the WTO, the outside options are better for dominant members – the old and rising powers ¬– than for the subordinates, intra-institutional deadlocks could lead to the creation of new institutions, which not only tend to reproduce but may also even deepen inequalities. This article has also shown how important it is to assess not only formal but also informal dimensions of institutional inequality. In the WTO, informal inequality is decisive and considerable although formal equality is strongly institutionalized in the practice of consensus-based decision-making.

In the WTO, ideational and material factors seem to foster less inequality over time: Normative demands usually promote equality rather than inequality. Insofar as recent global economic power shifts and new powers like China, India and Brazil have reduced the inequality of economic capabilities, this could foster more formal and informal equality. At the same time, this article has illustrated that the WTO's institutional inequality creates a dilemma. Insofar as inequality in the WTO is flattened due to material or ideational factors, the institution's effectiveness might be viewed as being limited, reducing its benefits, principally for powerful countries, who then abandon the WTO and the multilateral system. International organizations that mirror how power is distributed in the international system and act as vehicles for the interests of the economically most powerful states are only one part of the story. The other part is the powerful countries engaging in forum shopping – for instance, by fostering mega-regional negotiations.

The G20 could play a key role in the WTO's future and the much-needed reform of the global trading system (Berger & Brandi 2016). Such a reform is challenging, especially if it is to also contribute to the UN Agenda 2030 for Sustainable Development and the SDGs. Bridging the gap between the realities of the global trading system and the aspirations of the Agenda 2030 is a formidable challenge. It cannot be tackled effectively in either the WTO or the UN. The G20 is a suitable forum for helping to bridge that gap.

Bio

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Article

Global Trade Governance and G20: A Response to Mega-Regional Trade Agreements

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Abstract

Regional trade agreements (RTAs) proliferate as the WTO loses its centricity. Moreover, mega-deals like TTP, TTIP and RCEP initiated among larger economies become discernable in trade governance. Despite an essential role the RTAs can play in liberalising trade and developing trade rules, it is proposed in all G20 documents that they need to ensure their consistentency with the multilateral trading system, and that they must be open and inclusive. Terms like consistency or inclusiveness can be vague. G20 is an important platform to develop tangible and meaningful deliverables to bring complementarity of the RTAs with the WTO. The article briefly discusses what should be the responses to mega-regionals, and how their challenges could be minimised to provide an accord, under the G20 platform. The article recalls that the issue was profoundly relevant to China and Turkey, two preceeding Presidents of G20.

Keywords

G20, multilateral trading system, regional trade agreements, mega-regionals, Turkey, China.

Introduction

'Trade and investment are crucial elements for sustainable growth and job creation'. This is an almost universally accepted motto and Chinese presidency of G20 reiterates it, too (G20 2016 China, p. 9). However, protectionist measures are implemented persistently¹, investment growth is sluggish² and governance regimes in trade and investment is 'fragmented'³, while WTO multilateralism is argued to loose its centrality (Baldwin, 2011). The G20 could be a suitable platform to respond to these challenges by upholding multilateral regimes. G20 represents a 'critical mass' for global trade and investment flows and provides a legitimate forum if it is inclusive by acknowledging the needs of the rest of the world. However, we must admit that it is paradoxically the same G20 members who sit in alternative platforms to re-write the rules of the game for the regulation of global trade. Some even go further claiming to build up 'game-changers' for the multilateral trading system.

In this context, the negotiation of mega-regional deals such as the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) presages the start of a new era in the global trading system.

The US -being a Pacific and an Atlantic power- is located at the crossroads of both arrangements. The challenges by the rise of emerging economies (mainly China) led the US to respond to the shift of power so it can maintain its position in global markets. On the other hand, the 'frustration by Washington' (Hamilton, 2014, p. 84) with the deadlocked Doha Round inspired new avenues-apparently not competing with the WTO- to secure open markets with new rules and regulations under a new architecture.

The EU, for its part had a sharp U-turn towards bilateral deals with advanced and emerging economies and finally a mega-deal with the US to promote economic growth; to improve jobs and to allegedly contribute to the development of global rules.

As a response to the US and EU initiatives largely excluding China, the latter's move was a proposal to foster a Regional Comprehensive Economic Partnership (RCEP) which includes ASEAN countries, Australia, Japan, Korea, New Zea-land, India and China, and excludes the US.

Based on geopolitical considerations i.e. to manage globalisation so that it hap-

¹ According to a recent WTO Report on G20 Trade Measures (Mid-May and Mid-October 2015) there are 1,244 restrictive measures recorded since the onset of the crisis in 2008, and only 282 have been removed so far. See, https://www.wto.org/english/news_e/news14_e/g20_wto_report_oct14_e. pdf However, an independent study by Global Trade Alert (GTA) documents more (almost 7,000) governmental measures since the first G20 Leaders Summit. Almost 75% of G20 exports face at least one new trade distortion, according to GTA figures. See The Global Trade Disorder – The 16th GTA Report, CEPR Press, 2014, available at: http://www.globaltradealert.org/sites/default/files/GTA16.pdf ² Global foreign direct investment (FDI) inflows fell by 16 per cent in 2014 to \$1.23 trillion, down from \$1.47 trillion in 2013. See, UNCTAD World Investment Report, 2015, p.2.

³ The number of RTAs proliferate but without eliminating precarious circumstances about their predatory implications for non-members; international investment agreements over 3000 make a complex web of rules.

pens on American/European terms or economic aspirations such as fostering transnational collaborative production and global value chains, the mega-deals bring some major questions to be replied:

- What could and should be possible responses to mega-regionals?
- How to make them complementary to the multilateral trading system to benefit everyone?

These are crucial challenges the G20 agenda must take on board considering the potential of mega-deals as new pillar of trade governance. It is argued the mega RTAs are largely to constrain China. Therefore, 'the approach of China –as the preceding president of the G20- vis-à-vis these initiatives was important⁴. Same is true for Turkey, an earlier G20 leader and involved in the Troika, to bring a creative approach to the above questions. Turkey is in the vicinity of the EU through its 'customs union' link which puts the former into an asymmetrical situation under EU's free trade agreements, and becomes most vulnerable in the case of TTIP. It may push Turkey 'to be isolated from the processes of new-rule making' (Aran, 2013) and becomes costly in the medium to long term if TTIP is not inclusive. For Turkey, TPP does not represent an immediate concern as its trade links with TPP members are shallow and probably its negative welfare implications will be rudimentary. But it will be definitely essential in the long term in restructuring its trade strategy under the world of 'new generation trade agreements' endowed with more comprehensive rules.

To discuss possible responses and to propose measures to facilitate the relationship between mega-regionals and the WTO system, however we need to have a closer look at the mega-RTAs in terms of their ambitions and implications very briefly. This is vital for providing a 'balanced' assessment without political prejudicies.

A switch from multilateralism to regionalism in trade and investment governance

WTO multilateralism has not delivered significant achievements in trade liberalization during the past two decades – but some minor exceptions⁵. The stalemate in the WTO Doha Round and discord over the development agenda among main players have fostered an increased focus on the negotiations through mul-

⁴ During Chinese presidency, the RTA issue has been one of the focal point of trade policy discussion in Trade Ministers meeting, B20 (Business-20) and T20(Think-tank 20) Summits, while G20 Leaders' Communique noted the need to ensure RTAs are cpnsistent with WTO rules.

⁵ A consensus on the signing of Trade Facilitation Agreement (TFA) at Bali in December 2013 (still waiting for adoption by the Member States) as well as the extension of the ITA and elimination of agricultural export subsidies as agreed in Nairobi WTO Ministerial Conference held in December 2015, can be regarded as the major outcomes.

tiple "tracks" including the "regional" avenues, i.e. the regional trade agreements (RTAs)⁶. Most of these agreements go beyond the WTO's remit in terms of coverage and deepness, presenting a new platform to change world trade rules and to bring further trade opening.

RTAs are expected to deliver the best practices in areas that have not been appropriately handled at the multilateral level; such areas include trade in services, investments, technical standards, and regulatory issues (referred to as WTO+ and WTO-X matters). This is manifest among a set of smaller number of actors sharing similar concerns. The transaction costs for negotiating a wider agenda shall be lower compared to the grand bargain under the WTO negotiations which requires 'consensus' among all players under a 'single undertaking', i.e. no one gets anything until everything is settled. Thus, RTAs provide venues with more practical, result-oriented approaches, while mega-deals offer the possibility for the hubs in the driving seat to impose robust and binding provisions in as diverse areas as the labour standards, environment, intellectual property issues, FDIs, food security so on⁷.

Notwithstanding, a positive correlation between RTAs and their influential role in further opening markets and in setting universally acceptable rules has not been empirically tested in a persuasive way. This requires further investigation.

On the other hand, the RTAs are expected to have welfare-enhancing effects mainly for the participating members. A true assessment of the implications of mega-deals are not straightforward, as negotiations continue in TTIP and very complex set of provisions are adopted in the recently concluded TTP. However, global challenges by mega-RTAs will be greater:

- the higher the risks and the consequences of discriminatory impact;
- the more restrictive and stringent the regulatory measures for extra-TTIP trade,
- the more closed to the idea of the accession of non-members.

⁶ The proliferation of RTAs are structured through a differentiated but closely connected types: Bilateral FTAs such as US-South Korea, EU-Singapore, EU-India, Australia-China, Canada-EU so on. Consolidated RTAs where existing RTAs are expanded by new membership or by merging with other RTAs; and Mega-regional RTAs, i.e. TTP, TTIP and RCEP. See, R. Melendez-Ortiz, in 'Megaregional Trade Agreements: Game Changers or Costly Distractions for the World Trading System?, WEF, 2014, p.13.

⁷ M. Barrosso, former president of European Commission, raised in his official statement for TTIP in June 2013 that 'these [TTIP] negotiations can be a game changer', http://europa.eu/rapid/pressrelease_MEMO-13-569_en.htm thus consolidating his previous statement in February 2013 'this negotiation will set the standard – not only for our future bilateral trade and investment, including regulatory issues, but also for the development of global trade rules' (italics added), http://europa.eu/ rapid/press-release_SPEECH-13-121_en.htm

The most anticipated impact of mega-RTAs relates to the risk of discrimination against third-country exports. Discrimination here leads to trade diversion, i.e. the substitution of lower-cost imports from third countries with the higher-cost imports of RTA (i.e. TTIP) members due to differential tariff treatment. Such discrimination can lead to welfare losses, the magnitude of which depends on global trade patterns and competition dynamics. It seems that labour-intensive sectors are more vulnerable.

It has been contended that the harm done by trade diversion and preference erosion can be compensated through spillover benefits. Many studies⁸ argue that in general equilibrium analyses, third countries also gain from the implementation -in the case of TTIP through the elimination of cost-increasing trade measures between the US and the EU either directly through less stringent conditions in two different TTIP member markets; or indirectly if third countries adopt harmonised TTIP standards. This will be the same for non-TPP countries like China for instance when they accept TPP standards. However its positive impact will be mitigated if the third parties resist to or cannot easily adopt the standards.

Finally, the mega-deals are expected to be open to membership for outsiders. TPP, for example is in principle open to the participation of any APEC country. So it does not preclude Chinese entry. Yet, it does not guarantee an automatic accession process. Currently, China is argued to insufficiently meet TPP criteria in terms of issues like state aids, intellectual property protection, governmental controls (Hamilton, 2014, p. 86). It will be naive to assume China will approve, like in the case of Vietnam, binding commitments on labour standards. In the case of TTIP there are no clear provisions for accession. Turkey's quest to participate is blurred as TTIP has no 'docking' clauses similar to one that is proposed in the context of TPP (Kirişçi, 2014). Furthermore, an open mega-RTA shall not be attractive for non-members if the only precondition for joining is to adopt all the 'Acquis', i.e. to accept all norms and requirements in TPP or TTIP.

Overall it can be argued that the success of mega-deals depends on how they counter these challenges – that is, to reduce the risk of discriminatory impact; provide less-stringent regulatory measures for third countries; bring flexible mechanisms to boost spillover effects; and to make the system more open and credible for all (Akman, Evenett, Low, 2015).

Responses from China and Turkey

It is probable that key third countries like China, Turkey or others that expect TTIP or TPP to become a global rule-setter are unlikely to adopt a 'wait-and-see'

⁸ See, for example Lejour et.al. 'Economic Incentives for Indirect TTIP Spillovers', CEPS Special Report, No.94 (TTIP Series no.2), October 2014.

policy. One possible response would be to challenge the mega-deal by a counter strategy. The prospects of RCEP, including China, Japan and India can be a geopolitical rival or initiatives like One-Belt-One-Road or Shangai Cooperation Organisation can be referred to. However, they are far from satisfying the needs of China to benefit from market access in TPP or TTIP. This can only be a partial response to mega-regionals (Dadush, 2014, 29).

The next option is to 'docking' itself into mega-regionals but it is very unprobable that many countries like China, Indonesia or Colombia will accept the TPPacquis and norms in entirety, while incumbents will not be ready to open the doors for nextcomers without further commitments. The accession of third parties such as Turkey, Mexico, Canada, and EFTA members to TTIP seem to be beneficial by virtue of their previous agreements with the US and the EU. But it is difficult to envisage how stringent will be the rules and standards (i.e. regulatory measures) in TTIP and the eventual cost of adjustment to be accrued by newcomers, especially in the areas of services, agriculture, environment so on. In the case Turkey, this is a compelling issue.

Another point that can be raised in the context of mega-regionals in G20 is to revitalise the WTO negotiations. However, this is not a realistic option currently when we consider the fact that it is the same countries that are foot draging in several key negotiation areas, particularly in agriculture, NAMA modalities etc. Adopting a post-Nairobi agenda, even on limited areas seem to be politically unfeasible when TPP has already been completed (and wait for ratification) and TTIP partners continue to negotiate. Nevertheless, it does not preclude G20 members, to shape mega-regionals to complement rather than undermine multilateral trading system. After all, the WTO is a rule-based system which provides a universal 'public good' for everyone. Mega-regionals can go more comprehensive, deeper and faster than the WTO but it does not (and should not) make them alternatives to multilateralism.

What could Germany's presidency bring?

The G20 Leaders' Communiqué in 2015 in Antalya committed 'to ensure bilateral, regional and plurilateral agreements...are in consistency with and contribute to multilateral trade system under the WTO. The Trade Ministers Statement in July 2016 noted that 'RTAs, should be open to accession and include provisions for review and expansion'. Unequivocally, the Leaders Communiqué in 2016 in Hangzhou (G20 Leaders Communique, 2016) emphasises the need for consistency with the WTO rules while noting the importance of RTAs in liberalising trade and developing trade rules.

Terms like consistency or inclusiveness can be vague. We need further steps to

bring concrete ideas in T20. We need to elaborate these statements. Help the Leaders to turn commitments into implementation. This reminds us two major challenges facing trading system which are more pressing than the impact of RTAs on the multilateral system.

The first is the fact that, trade growth is weak. It has been six consecutive years in which trade grows less than the world GDP. It does not contribute to global economic growth targets in Brisbane. The second challenge is that the global public opinion turned sharply against any free trade deal, be them at the multilateral or regional level. The reaction against RTAs such as TPP and TTIP makes their fate uncertain. We are far from the old days where calls for opening trade was in high on the agenda. Of course, the motives for trade and trade agreements continue, but the support for it is waning, especially following the global economic crisis and the protectionism in trade has soared (Akman, 2016).

Based on these commitments and expectations in G20 documents, and the challenges world trade faces, it will be indispensable, in the G20 context, to reconsider how to craft more open mega-regionals with exchange mechanisms on best practices in order to multilateralise several WTO+ and WTO-X issues. It is also equally important to bring confidence building measures – such as improving capacities of third countries to adopt higher standards, development of their infrastructure, or steps to enhance regulatory cooperation – facilitate the realisation of indirect spillovers (Akman, 2015, p. 56); to make impact assessment of megadeals like TTIP and TPP to integrate outsiders to improve mutual benefits; and finally to restore the WTO centrality to make it more relevant to global challenges in trade and investment issues, in the context of sustainable development goals.

The G20 activities under Germany's presidency are required to provide a resultoriented approach to bring tangible and meaningful deliverables. Hence, Germany -as advanced economy, a member state of the EU that is involved in several RTAs and TTIP negotiations, and an influential G20 member -can and should play a decisive role.

Bio

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Article

China-U.S. Cooperation in Central and South Asia

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Abstract

This article examines the main cooperation fields between China and the US in Afghanistan and Pakistan in the post-NATO period. In doing so, this study looks at the initiation of various bilateral joint projects as a distinctive turning point in China-US relations. It argues that existence of such bilateral projects and cooperation in this region does not only produce added value for the countries in question but also have the potential to enhance the mutual relations between China and US. This study also reveals the main common priorities and practices between China and the US and concludes that they have a partial convergence in their attitude towards the infrastructure projects in Afghanistan and Pakistan.

Keywords

US-China Cooperation, Afghanistan, Pakistan, Istanbul Process, Silk Road Economic Belt, 21st Century Maritime Silk Road, Quadrilateral Coordination Group

Introduction

The withdrawal of NATO combat forces from Afghanistan at the end of 2014 presented China and the United States with serious challenges but also opportunities for cooperation in common efforts for stability in Afghanistan and its "conjoined twin," Pakistan.

China and the U.S. have launched bilateral joint projects in Afghanistan, a significant departure from past practice, and made some efforts to coordinate messages to Pakistan. China assumed the 2013-2014 chairmanship of the Istanbul Process, a move welcomed by the U.S., as well as Afghanistan, and hosted the Process's ministerial in Beijing in October 2014. Cooperation within this regional framework could have significant payoffs, as it requires collaboration among countries that often perceive each other as rivals, if not enemies. This process has engaged not only China, Afghanistan, and Pakistan, but also India, Iran, Russia, Turkey, Kazakhstan, Kyrgyzstan, Tajikistan , Turkmenistan, Saudi Arabia, and the UAE, with a role for the United Nations and with the participation as "supporters" of states outside the region, including the U.S.

These diplomatic efforts have been underpinned by the long-delayed start of regional economic cooperation round Afghanistan, especially China's Belt and Road Initiative. President Xi Jinping first presented China's vision for a "Silk Road Economic Belt" that would "forge closer economic ties, deepen cooperation, and expand development in the Euro-Asia region"¹ during a 2013 speech in Kazakhstan, but the contours of Beijing's strategy have truly begun to emerge since 2015. China's leadership views its "Silk Road Economic Belt" and "21st Century Maritime Silk Road" frameworks (frequently referred to in Chinese policy circles and press as "One Belt, One Road" or the "Belt and Road Initiative") as an opportunity to reshape the economic and political order in Central Asia and the Asian Pacific region, by promoting a network of trade routes, political cooperation, and cultural exchanges with China as a key hub. China simultaneously intends to place its sometimes-restive western and interior provinces at the heart of its engagement with Central and South Asia in an effort to accelerate development and encourage stability.

U.S.-China cooperation in Afghanistan has the potential to improve the bilateral relationship between the two countries, though tensions between the two in other areas nourish mistrust and undermine cooperation. Opportunities for cooperation are more evident in China's "back yard," to the West, than in China's "front yard," to the East, where tensions continue to rise over the East and South China Seas. Differences over Taiwan and North Korea, as well as the NATO embargo on arms sales to China dating from 1989, also contribute to an environment that has hindered cooperation over Afghanistan, Pakistan, and Central Asia.

The rebalancing of China's priorities toward the regions West of China, largely through the Central and South Asian portions of the Belt and Road Initiative, constitutes a growing countervailing force. The U.S. and China have agreed to explore a significantly higher level of cooperation on the ground in Afghanistan and some policy coordination on Pakistan. China's predominantly Uighur Xinjiang province has been the scene of inter-ethnic conflict and some separatist sentiment. According to many U.S. and some Chinese analysts, these tensions largely derive from Chinese domestic policy, particularly the imposition of a model of development based on the resettling of Han Chinese skilled workers

¹ President Xi proposes to build "Silk Road economic belt", CCTV, 9/7/2013

and managers in this predominantly Muslim and Turkic region, as the state seeks to accelerate development and integrate this border region more closely with the center. China's official doctrine views economic development as the main solution to terrorism, separatism, and extremism, but the Chinese model of development prokoves inter-ethnic conflict. These tensions may escalate further and provoke violence, especially if alienated Uighur youth continue to receive terrorist and military training from militant organizations in nearby Pakistan and Afghanistan. Several hundred Uighurs are also fighting alongside the Islamic State in Syria. This threat is one of the principal reasons for China's heightened interest in the stability and security of Afghanistan and Pakistan.

Continuing China's already slowing economic expansion will also require access to energy supplies from Central Asia, as highlighted early in President Xi Jingping's September 2013 Central Asian tour, where he announced Chinese support for a number of significant oil and gas projects. If implemented as planned, China's Silk Road initiatives have the potential to alleviate a number of the most pressing challenges currently facing Beijing. Most frequently discussed is the need to find new markets to absorb China's significant excess industrial capacity and to improve access to energy supplies as domestic demand continues to grow. Furthermore, Beijing remains concerned that economic indicators in China's interior and western provinces have persistently lagged far behind China's more affluent eastern and coastal cities. China has made significant investments as part of its "Go West" strategy, and in recent years many of the targeted provinces have seen significant GDP growth, but Beijing remains concerned that they have yet catch up with the national average.

Both the U.S. and China accord a higher priority to this region than in the past. After the Soviet withdrawal from Afghanistan in 1989, neither China nor the U.S. considered the stability of Afghanistan a strategic priority. Both have learned from that experience, and their definitions of their national interests have changed. The U.S., which experienced the 9/11 attacks from al Qaeda, then based in Afghanistan, now recognizes that terrorist safe havens in South and Central Asia can threaten its security directly. The training of terrorists in Pakistan not only destabilizes the region, but also constitutes the source of much global terrorism. It also poses the risk that Pakistan's rapidly growing stock of nuclear weapons and materials, including deployed tactical nuclear weapons, might fall into terrorist hands.

China, which in 1989 was an inward-looking developing country undergoing a domestic political crisis, is now the world's second largest economy and commodity importer and its largest commodity exporter. As a result, China has a growing demand for mineral resources, which are abundant in Afghanistan. Even more important, however, is China's need for stability in Central and South Asia so that it can link its Western and Central regions to world markets through roads, railroads, pipelines, and fiber optic cables. As a state increasingly reliant on international trade and investment, China has also concluded that it has a broad interest in international stability, beyond narrow concepts of self-defense. Whereas in the past Chinese foreign policy largely aimed to protect the state by countering the influence of rivals and enemies around its borders, China is increasingly both projecting power, as in the East China Sea, and considering cooperation with other states, including the U.S., to promote stability in their mutual interest.

Partial Convergence of Goals and Analysis

China and the U.S. have a common strategic interest in stability in Afghanistan and Pakistan. The two countries share similar views on the parameters of a desirable political dispensation in Afghanistan. They have many common concerns about Pakistan and are seeking ways to make their different approaches to that country more complementary. Their attitudes toward the future role of India in Afghanistan and the role of regional cooperation are moving in similar directions. China has stated that it favors Indian participation in the Belt and Road Initiative. Chinese officials speak in private about the benefits to linking Afghanistan and India to the China-Pakistan Economic Corridor, which would require Pakistan to open its border with India to trade, something the Pakistan military has opposed. The biggest differences lie in their views of Pakistan's nuclear program and doctrine, about which China does not share the strong concerns of the United States.

Both countries agree on many points on Afghanistan, though with some differences in emphasis and priority:

- They support the stability and unity of the National Unity Government (NUG) through the end of President Ghani's term in 2019. They believe that such stability is necessary for any enduring political settlement with the Taliban. The U.S. has placed a higher priority on the success of elections and strengthening Afghanistan's democratic institutions, while China considers elections secondary to the need for a political settlement and is more skeptical than many U.S. policy makers about the prospects for Afghan stability without a settlement with the Taliban, on which the two have agreed to collaborate.
- The U.S. and China agree that the Taliban should not regain control of Afghanistan's central government. Both prefer that the Taliban be accommodated through a negotiated settlement that disarms them in return for integrating them into a constitutional setup and the ANDSF. For this purpose in early 2015 the two agreed to participate in the Quadrilateral

Coordination Group (QCG) along with Afghanistan and Pakistan as a forum for the peace process. They have communicated to Pakistan their shared position of support for a political settlement but, equally important, opposition to a return to pre-2001 situation or any form of Taliban predominance imposed by force. Since 2010 Pakistan's leaders have said that Pakistan is not seeking a Taliban-dominated central government but only a political settlement that includes the movement, but some sectors of the state may still harbor old objectives. Given Pakistan's often-contentious relationship with the U.S. and steady partnership with China, this common message helps reinforce limits to Pakistan's ambitions in Afghanistan.

- Both agree that the international community should continue support for economic development and the operations of the basic functions of the state, including the ANDSF, as agreed at international conferences in Bonn and Tokyo; China does not oppose the NATO plans for support to the ANDSF, as agreed at the June 2012 NATO summit in Chicago. Both countries provide assistance to the ANDSF, but while the U.S. has the overall responsibility for these programs, China recently expanded its support for the ANDSF. Fang Fenghui, the chief of the Joint Staff Department of the Central Military Commission of China, visited Kabul in February 2016 to conclude an agreement on military assistance. The military aid arrived at Kabul on July 2016, as reported by Huanqiu, a newspaper closely related to Chinese government. The aid package, with an estimated value of \$70 million, consists of logistics equipment, spare parts for military vehicles, ammunition, and weapons with the primary purpose of counter-terrorism...
- In a significant shift, China now supports a post-2014 U.S. and NATO military presence in Afghanistan to train, advise, and assist the ANDSF, engage in counter-terrorism, and prevent strategic gains by the Taliban. In his speech to the November 23, 2013, Consultative Loya Jirga on the U.S.-Afghan Bilateral Security Agreement (BSA), Afghan President Hamid-Karzai cited support for the BSA from China, Russia, and India. Despite strong nationalist sentiments in China (especially among micro-bloggers), Chinese policy makers no longer view a post-2014 U.S. and NATO presence as a threat or an attempt to contain China; they regard a security vacuum in Afghanistan as a potentially greater threat.
- The U.S. regards Chinese investment in and aid to Afghanistan mainly as part of a cooperative international effort to stabilize the country rather than as freeriding on U.S. security provision or competing for influence. Nonetheless, the U.S. believes that China could do more to contribute to Afghanistan's security and stability and wants to remain engaged bilater-

ally to explore how the countries can make complementary efforts. China has initiated several rounds of discussion on expansion of bilateral security cooperation.

- China strongly prefers that the U.N. Security Council mandate any post-2014 international military presence in Afghanistan, whereas the U.S., NATO, and others are providing assistance under the Bilateral Security Agreement (BSA) with the Afghan government. Chinese officials and academics say that China would consider participating in military missions that receive a UN Security Council mandate (which appears unlikely, as the Afghan government does not support it). Otherwise China has no plans for a direct security presence.
- Both agree that the growing narcotics trade rooted in Afghanistan, and the criminal networks that benefit from it, pose a significant risk to regional stability. Both agree that an overreliance on crop eradication for conter-narcotics could have unintended negative consequences. The U.S. and China, view counter-narcotics focused in interdiction and development as a possible area of cooperation.
- Both the US and China agree on the importance of developing a more robust regional framework to address Afghanistan and both share a common assessment of the limits of the existing regional architecture. The U.S. has taken the position that China's Belt and Road Initiative, including the Silk Road Economic Belt and the China-Pakistan Economic Corridor, complements rather than compete with the U.S.-supported New Silk Road (NSR) Program. The main programs included in NSR are the Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline and the Central Asia South Asia (CASA) 1000 project delivering hydropower from Kyrgyzstan and Tajikistan to Afghanistan and Pakistan. The U.S., however, has invested very little in these projects, while China has mobilized hundreds of billions of dollars of capital including through newly established international development banks.

On Pakistan there has been a significant though as yet incomplete convergence of views:

• Both the U.S. and China have shifted from viewing Afghanistan primarily through a Pakistani lens, a bigger shift for China than for the U.S. Both recognize that Pakistan's interests in Afghanistan diverge from theirs at least to some extent. China no longer believes that it can defend its interests in Afghanistan solely or primarily through cooperation with Pakistan. The U.S. and China agree that they should engage with Pakistan separately but in parallel to encourage it to use its influence and leverage with the Afghan Taliban in favor of a political settlement with the Afghan government. The formation of the QCG provided a venue in which such U.S.-China policy coordination could take place.

- The two countries share the concern that the government of Pakistan is either unable or unwilling to eliminate or even control terrorist groups in Pakistan. China emphasizes that Pakistan needs help and is responsive to specific Chinese concerns about groups targeting China, while the U.S. argues that selective responsiveness does not address the systemic problem. All terrorist groups in Pakistan benefit from the terrorist infrastructure there, some of which receives state support. China does not deny the legitimacy of U.S. concerns or their factual basis. In response to requests that it use its sway over Pakistan and its ability to reassure Pakistan to persuade it to curtail its support for the Afghan Taliban, including the Haqqanis. China emphasizes the limits of its influence over Pakistan's decision-making process. China is reluctant to damage its relations with Pakistan, as the latter continues to play an outsize role in Chinese strategy. Pakistan's very existence weakens China's rival India by forcing India to confront a large nuclear-armed rival. Especially with the start of the Belt and Road Initiative, China also need Pakistan to connect its Western and Central regions to the global markets. China therefore places a very high priority on stable, long-term cooperation with Pakistan and, unlike the U.S., is not willing to press Pakistan on difficult issues that risk disruption of the bilateral relationship.
- Despite differences of emphasis, the U.S. and China agree in principle on the benefit of at least informal and partial coordination of policy toward Pakistan. Rather than trying to exploit intervals of U.S.-Pakistan tension to its own advantage, China has advised Pakistan to repair relations with the U.S. It has rejected both public and private Pakistani attempts to portray the Pakistan-China relationship as competitive with or a substitute for the Pakistan-U.S. relationship and kept the U.S. informed of how it has done so. In early 2011 Pakistan's attempt to enlist Afghanistan in a joint strategic space with China and Pakistan, excluding the U.S., failed when it turned out that China did not support the effort and preferred that the U.S. remain engaged. The QCG does bring those three actors together, but with rather than without the United States, and the Afghan government has been telling India, Russia, and Iran, among others, that the QCG is not an exclusive club but a means to an end that may be expanded.
- The China-Pakistan and US-Pakistan military and intelligence relationships are quite different, but such security cooperation is central to both

bilateral relationships. For the U.S., many of even the most sensitive intelligence operations have been exposed and are the subject of public disputes. In 2015 the U.S. announced that it was suspending payment of Coalition Support Funds to Pakistan because it could not certify, as Congress had required, that Pakistan was trying to defeat the Haqqani network of the Taliban. The U.S. has been providing Pakistan with CSF since 2002, as reimbursement for the cost of Pakistan military operations against al Qaeda and associated organizations. As one would expect from a tightly controlled authoritarian regime, China carefully shields its military and intelligence cooperation with Pakistan from the view of not only the public but also other parts of its own government. Differences in emphasis and priorities toward Pakistan among different parts of the Chinese state are becoming more evident, but the military-military elements of the relationship remain insulated from the political.

The U.S. regards India's role in Afghanistan as positive, focused on development and capacity building. U.S. concerns that high-profile Indian support to the ANDSF might provoke a disruptive reaction from Pakistan were partially shared by Indian decision makers until recently. The U.S. and Afghanistan have now put those concerns aside, however, since in their view Pakistan has failed to respond to the generous offers made by President Ghani since October 2014 with any meaningful action to curb the Afghan Taliban's violence. The U.S. has favored an Indo-Pakistan bilateral dialogue about Afghanistan. Pakistan has been unwilling to engage until very recently. Pakistani diplomats now claim that Pakistan is open to such a dialogue (defined by one of them as "we tell you our red lines, and you tell us yours"), but India has suspended bilateral dialogue with Pakistan in retaliation for Pakistan's meeting with Kashmiri opposition groups in India. Chinese views on the role of India in Afghanistan are in flux, with visible differences among individuals and institutions. While some continue to support Pakistan's long-standing opposition to an Indian presence or role in Afghanistan, growing concerns about the instability and weakness of Pakistan have led some Chinese policy makers and analysts to take a more positive view of India's role. While it remains controversial, some have begun discreetly to explore the prospect of cooperation with India over the stabilization of Afghanistan through bilateral and trilateral discussions. Chinese officials say they are making efforts to relax tensions with India on several fronts, though Indians remain skeptical. Bilateral trade and investment between India and China has grown from less than \$3 billion is 2000 to \$70.25 billion in 2014. Through 2014 India and China had concluded contracts valued at \$ 63.703 billion, with \$ 41.06 billion spent toward implementation. These figures are still less than for Pakistan (total trade of \$100 billion in 2015, total contracts signed 2000-2015 \$150.8 billion). Both India and China are promoting projects of regional cooperation to link Afghanistan to world markets.

- The starkest difference between U.S. and Chinese views of Pakistan is in attitudes toward Pakistan's nuclear programs. The U.S. considers the rapid expansion of Pakistan's nuclear arsenal, and especially the deployment of tactical nuclear weapons, as one of the greatest potential security threats in the region if not the world. Forward-deployed tactical nuclear weapons are the most likely to fall into terrorist hands. China, which is somewhat better placed than the U.S. to influence Pakistan's nuclear efforts, does not fully share these concerns and views this issue as too sensitive for cooperation with the US. China also claims to have limited influence over Pakistan's nuclear policy. China has continued and increased its support to Pakistan's nuclear programs, including breaking ground for a new reactor in Karachi in December 2013.
- China, like Pakistan, viewed the 2005 U.S.-India civil nuclear deal as a signal that the U.S. recognized India as a legitimate nuclear power and hence as naturally dominant in South Asia. They oppose India's attempt to join the Nuclear Suppliers' Group (NSG) despite not being a signatory of the Non-Proliferation Treaty (NPT). Pakistan, also a non-signatory, has also sought a civilian nuclear deal with the U.S. as it has with China. China supports the proposal, presumably to reinforce the security conception, opposed by India, that stability in South Asia results from a balance between Pakistan and India. Pakistan has even proposed applying for membership in the NSG. The U.S considers a civilian nuclear deal with Pakistan impossible, given Pakistan's record of nuclear proliferation and its continued resistance to transparent investigation of that proliferation. China has proceeded with aid to Pakistan's nuclear energy program and has supported Pakistan's aspiration to parity of treatment with India. China claims that its support to the unclear program of a non-NPT nation is "grandfathered" out, since such cooperation began before the NPT came into effect.

Means of Cooperation

Most cooperative behavior between the U.S. and China with respect to Afghanistan and Pakistan consists of indirect coordination and common engagement in multilateral efforts based on emerging common goals and analysis. The two states have no history of direct cooperation with each other in assistance to any third country, though they have coordinated policy on, for instance, North Korea. It is all the more significant, therefore, that China proposed in 2012 and the U.S. accepted the joint planning and implementation of three projects in Afghanistan dealing with agriculture, training of health workers, and training of diplomats. In each of these programs the trainees receive instruction in both China and the U.S. Cooperation in the QCG took this cooperation a step further. Involvement in such a peace process would normally contradict China's strict rules in non-interference, and doing so together with the United States in such a risky effort is unprecedented, showing the importance that China attaches to the effort.

Chinese officials and analysts have emphasized what a big step such cooperation is for China, which has a limited history of operational coordination with other states in third countries. While these small projects will make at best only a minimal direct contribution to the future stabilization of Afghanistan, they have functioned as significant confidence-building measures between U.S. and Chinese officials working on Afghanistan and Pakistan, who meet and exchange views much more frequently as a result.

In the lead up to the Chinese leadership transition in November 2012, China's policy toward Afghanistan started to become far more pro-active. The most visible results have been: the visit to Kabul by China's top security official in September 2012, the first high-level trip to Afghanistan by a senior Chinese leader in nearly half a century, though the leader in question is currently in prison on serious charges of corruption; the Central Asia visit by President Xi Jinping in September 2013 to discuss access to energy resource and the Afghanistan transition; and China's decision to chair the Istanbul Process in 2014, announced at the April 2013 Istanbul Process Ministerial in Almaty, Kazakhstan. China's hosting of the 2014 ministerial meeting of the Istanbul Process and its role in the QCG all resulted from this relatively rapid transformation of Chinese policy.

Leadership of the Istanbul/Heart of Asia Process signified a major shift, as China, along with Russia, Iran, and Pakistan, had been reluctant to agree to the Process at preparatory meetings and at the founding conference in Istanbul in November 2011. In addition to reflecting Pakistan's hesitations about formally recognizing a role for India as part of Afghanistan's region, China also shared concerns with Russia and Iran that the process was a U.S.-backed attempt to provide regional consent to a long-term U.S. and military presence in Afghanistan and marginalize the Shanghai Cooperation Organization, in which Russia and China play central roles.

The start of 2013, however, saw an acceleration of Chinese diplomacy on Afghanistan and a new openness to cooperation with the U.S. and Afghan governments. In addition to deciding to chair the Istanbul Process, China hosted or participated in numerous bilateral, trilateral, and multilateral meetings focused on Afghanistan, Pakistan, and related transnational issues such as terrorism. These included repeated consultations with Russia and India, as well as the U.S. The U.S. views these Chinese activities as complementary to rather than competitive with its own efforts. China's 2014 decision to involve itself actively in the search for a political settlement in Afghanistan led to both a U.S.-Afghanistan-China trilateral and the formation of the QCG. Unilateral efforts by China to reach out to the Taliban through the Political Office in Qatar have not yet had concrete results. None are likely before the November 2006 naming of a new Pakistan army chief and the January 2017 inauguration of a new U.S. President.

Efforts at including Afghanistan in regional integration, however, have begun to take off. As far of the Silk Road Economic belt, a weekly train has started to connect Nantong, Jiangsu province, home of numerous textile factories, to the northern Afghan port of Hairatan, running across the entire breadth of China and through Kazakhstan and Uzbekistan. Thus China has begun to include Afghanistan in the Belt and Road Initiative without going through Pakistan.

Meanwhile, on the other side of the country, Afghanistan, India, and Iran have signed a transit agreement to use the Iranian port of Chabahar for trade between India and Afghanistan or Central Asia. Iran has built a railway to Afghanistan called Khawaf-Herat. When completed at an estimated cost of \$75 million, it will be 130 kilometers long, 70 km inside Iran and 60 km in Afghanistan, originating from Khawaf County, in Razavi Khorasan Province. The Khawaf-Herat railway passes through the Sham'taygh border post. The construction of the railway inside Iran (Khawaf-Sangan) is complete. The Sham'taygh-Herat section is yet to be completed. Afghanistan hopes to increase its trade volume from \$2 billion to \$6 billion with the realization of the project with Iran, and connect with Central Asia and Europe by land, partly by connecting to the Chinese projects in Central Asia. Iran hopes to achieve an alternative route to Central Asia through Afghanistan. The plan to construct 2,100 kilometers of railway within the scope of Silk Road Economic Belt through 5 countries (Afghanistan, China, Iran, Kyrgystan and Tajikistan) has thus started to look more realistic. 1,100km of the railway will be situated in Afghanistan.

U.S. cooperation with this project has been delayed by sanctions against Iran. As sanctions are lifted through implementation of the Joint Common Program of Action (JCPoA, the nuclear deal), the U.S. may be able to cooperate with both China and Iran to provide Afghanistan with multiple connections to the international market, diminishing its one-sided dependence on Pakistan and enabling its economy to grow without being held hostage to terrorism.

Bio

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Dr. Barnett R. Rubin is a Senior Fellow and Associate Director of CIC's Afghanistan Pakistan Regional Program. He has worked at CIC since July 2000. During 1994-2000 he was Director of the Center for Preventive Action, and Director, Peace and Conflict Studies, at the Council on Foreign Relations in New York. Rubin was Associate Professor of Political Science and Director of the Center for the Study of Central Asia at Columbia University from 1990 to 1996. Previously, he was a Jennings Randolph Peace Fellow at the United States Institute of Peace and Assistant Professor of Political Science at Yale University. From April 2009 until October 2013, Dr. Rubin was the Senior Adviser to the Special Representative for Afghanistan and Pakistan in the U.S. Department of State. In November-December 2001 Rubin served as special advisor to the UN Special Representative of the Secretary General for Afghanistan, during the negotiations that produced the Bonn Agreement. He advised the United Nations on the drafting of the constitution of Afghanistan, the Afghanistan Compact, and the Afghanistan National Development Strategy. Dr. Rubin received a Ph.D. (1982) and M.A. (1976) from the University of Chicago and a B.A. (1972) from Yale University. He also received a Fulbright Fellowship to study at the Ecole des Hautes Etudes en Sciences Sociales in Paris in 1977-1978. He is currently chair of the Conflict Prevention and Peace Forum (a program of the Social Science Research Council). During 1996-98 he served on the Secretary of State's Advisory Committee on Religious Freedom Abroad.

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Article

Rising Powers and International Security: the BRICS and the Syrian Conflict

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Abstract

Some rising powers, including the BRICS states (Brazil, Russia, India, China, and South Africa), have openly contested certain international security norms, for instance challenging the tendency to invoke humanitarian protection to carry out military intervention. However, the relevance of rising powers, and especially coalitions of such states, to specific conflicts remains poorly understood. How pertinent is the BRICS as a collective actor in international security, and what are their stances on major armed conflicts? This article focuses on the Syrian conflict, examining the BRICS coalition's positions on the war since 2012. The analysis indicates that, despite some early convergence on the respect of national sovereignty-a position that was deeply shaped by the outcome of the intervention in Libya-the BRICS have begun reframing the Syrian civil war as an issue of terrorism with potential spillover effects. This reframing suggests that Russia, backed by China and India, has increasingly led the BRICS discourse on Syria. Ultimately, however, it is Russia-rather than the BRICS as a collective unit-that has become a direct player in Syria (through both military intervention and political efforts), thus making itself into an indispensable party in the resolution of the conflict. At the same time, the Syrian government considers the BRICS coalition to be a legitimate player, which opens up space for the coalition to play a role in future peacebuilding efforts, whether through political support for a peace process, development cooperation in the Middle Eastern states that have been receiving the bulk of refugees, or post-conflict reconstruction in Syria itself.

Keywords

Syria, BRICS, conflict, rising powers, Middle East, UN

Introduction

Some rising powers, including the BRICS states (Brazil, Russia, India, China, and South Africa), have openly contested certain international security norms, for instance challenging the tendency to invoke humanitarian protection to carry out

military intervention. However, the relevance of rising powers, and especially coalitions of such states, to specific conflicts remains poorly understood. If the goals of such groupings include those of amplifying the voices of their member states and creating a platform that is in fact more than the sum of its parts, then the role of rising power coalitions as collective agents must be analyzed with respect to issues of peace and security. In the case of the BRICS, how does the coalition position itself before major armed conflicts? This article focuses on the Syrian conflict, examining the BRICS coalition's positions as inferred from official documents such as the annual summit declarations.

In its official discourse on global governance, the BRICS (Brazil, Russia, India, China and South Africa) coalition has questioned certain established norms and institutions as they push for the transformation of the international system into a more multilateral configuration, one that would better reflect the current distribution of power. In issues of international security, this contestatory reformist stance has sometimes provoked unease among other actors within the international community. In particular, the role of the BRICS—namely, whether they enhance peace, detract from it, or remain "conveniently aloof" from key issues—has become so controversial that Western think tanks have resorted to terms like "sovereignty hawks," "spoilers," and "free riders" in trying to capture the coalition's relevance (see, for instance, Patrick 2010; Van Ham 2015). At the same time, the BRICS' contestation generated new expectations on the part of the international community regarding rising powers' ability to bring to the table innovative approaches for dealing with international security challenges.

The alarm (and conversely, for BRICS-optimists, the sense of opportunity for contestation and innovation) reached a peak with the Libyan crisis, when the BRICS states adopted increasingly critical stances towards the use of the Responsibility to Protect (R2P) framework to justify military intervention through the United Nations (UN). However, these countries' individual stances on international security issues, including R2P, have been driven by different sets of motivations; moreover, these positions are not immutable. This variation, in turn, indicates a need to better understand the BRICS' relevance to specific armed conflicts since Libya, both from a normative standpoint and in terms of their concrete engagement (or lack thereof) as a collective unit.

This article examines the pertinence of the BRICS coalition within the field of international security by focusing on its stances toward the Syrian conflict. More specifically, what positions has the BRICS adopted with respect to the Syrian civil war, and what explains their perspectives? The analysis draws on official documents (especially the annual declarations issued at the head of state summits) and media materials to analyze the changing perspective of the BRICS, within the broader context of sweeping geopolitical changes in the Middle East. The

analysis also touches on the Assad regime's official discourse towards the BRICS, as gleaned from official statements and documents.

The research suggests that, early in the Syrian crisis, the individual BRICS states largely converged on their criticism of the Libyan crisis and adopted a similar stance towards Syria, stressing the principle of respect for national sovereignty and the need for a political solution to the escalating violence. However, as a coalition the BRICS remained very much on the sidelines; in fact, the only concrete attempt by some of these rising powers to mediate the Syrian war was undertaken by another coalition, the IBSA (India, Brazil and South Africa Dialogue Forum), which is a separate platform altogether rather than a mere subset of the BRICS coalition. Since then, Russia has influenced the BRICS' official discourse so as to frame the Syrian crisis as an issue of terrorism, with potential spillover effects within and beyond Syria's immediate vicinity.

In 2015, Russia's direct entry into the conflict, in open support of the Assad regime, marked a turning point not only for the Middle East and geopolitics more broadly, but also for the BRICS as a collective actor, because Russia's deepening engagement in the conflict generates new tensions for the coalition's discourse of sovereignty. At the same time, there are identifiable demands by the Assad regime for an expanded political role by the BRICS; the regime treats the BRICS as a legitimate actor and has directly appealed to the coalition for help. Ultimately, while it is Russia—rather than the BRICS as a collective unit—that has made itself a direct player and thus one of the indispensable parties in the resolution of the conflict, the BRICS as a collective body may be influential in shaping the international community's attitudes towards interventions in Syria. While the BRICS coalition is a loose platform rather than a highly institutionalized organization and one that "lacks teeth" from a military standpoint—it stands to play a role in future peace-building efforts in Syria, especially post-conflict reconstruction.

Rising Powers and Intervention Norms: From Libya to Syria

In the 2000s, as new nodes of economic growth and political influence began to emerge in the international system, certain "rising powers"—broadly put, regional powers that aspire to global status and advocate on behalf of a more representative global governance system—assumed a sharply contestatory tone with respect to some of the established norms and institutions of global governance. Among other points, these countries pushed for speedier reform of key organizations, such as the Bretton Woods institutions, as part of their ambition to accelerate the transition towards a more multipolar world order (Acharya 2014; Hurrell 2006). These rising powers voiced these demands not only individually, but also through new trans-regional loose coalitions like the BRIC, launched in 2009 and initially known as the BRIC (South Africa joined in 2011). The coalition was meant not only to enhance intra-group cooperation, but also to project their collective influence globally, especially in areas in which the member states could find a least common denominator and coordinate policy positions.

Although the BRICS countries have so far found greater affinity and possibility for cooperation in the economic and development spheres, especially in the years following the 2008 financial crisis (to which these countries responded relatively robustly), the coalition has also attempted to reach some common positions on international security issues. Here the path has not been entirely smooth. One major obstacle to broader coordination in this area is a structural cleavage among the members in terms of their positions at the UN: while Russia and China are permanent seat holders at the Security Council (UNSC), the other three countries have long aspired to such a position as part of broader demands for UN reform. However, all five states share the desire to play a greater role in international security, whether by showing concrete commitments, such as troop and police contributions to UN peacekeeping, by engaging more directly in conflict mediation and normative debates about international security (De Carvalho & de Coning 2013) —or, in some instances, through non-UN engagement with armed conflicts.

At a normative level, the BRICS countries seemed increasingly to find some common ground in their defense of the principle of national sovereignty and in their distaste for the concepts like "contingent sovereignty," which challenges the norm of non-intervention (Bellamy 2011). Starting in the mid-2000s, the BRICS countries' resistance to attempts to temper the concept of sovereignty in international laws and norms became highly relevant to global debates about humanitarian intervention and the use of force. Although their stances on sovereignty are driven by different sets of motivations and are thus not entirely equivalent (Laïdi 2012), the BRICS countries have all been generally critical of what they perceive as a tendency on the part of the US and Western Europe to carry out military interventions in a self-interested quest to implement regime change, with uncertain results at best. Since the mid-2000s, when the concept of Responsibility to Protect (R2P) was adopted at the UN World Summit and subsequently formalized through Resolution 1674 as the normative framework for the UNSC to decide upon the use of force under Chapter 7 of the UN Charter ('UNSC S/RES/1674' 2006), the BRICS countries have repeatedly either balked at or plainly opposed proposals for military intervention. For instance, the four initial BRIC members countries abstained from Resolution 1973 ('UNSC S/RES/1973' 2011), which laid down the legal basis for intervention in Libya, including the imposition of a no-fly zone (South Africa voted in favor but later became more critical of the intervention). Although no country opposed the resolution, the pattern of abstention indicated a level of unease with the move to intervene militarily-a stance

that was reinforced as successful stabilization of Libya turned out to be a harder task than the resolution proponents had originally foreseen.

On the Syrian case, the BRICS states' converging and increasingly critical stances became particularly apparent in 2011, when all five BRICS states occupied seats at the UNSC and expressed misgivings over a resolution condemning the Assad regime's crackdown on protesters on Syria. (Lynch 2011) interpreted their positions as a result of the shared belief that the Western powers had overstepped the Council's mandate in Libya.

The outcome of the Libyan intervention prompted a greater convergence among the BRICS countries on R2P, specifically making them more reluctant to endorse humanitarian intervention in Syria. For example, even Brazil tried to support UN actions meant to protect civilians, and although at first it had supported UN actions in Libya, it eventually became critical of the air campaign by the Coalition of Willing states, on the grounds that the intervening countries were taking advantage of the ambiguous term "all necessary means" included in the resolution (Laskaris & Kreutz 2015). In the words of Thakur (2013), the Libyan intervention "proved particularly controversial among the emerging powers, and the price of exceeding the mandate there has been paid by Syrians."

However, Libya did not spell the end of R2P. Although Russia has proven more recalcitrant, the other BRICS countries have been willing to engage in further debate over intervention norms, especially with a view to specifying when and under what condition R2P may apply. Brazil, for instance, proposed the Responsibility while Protecting (RwP) was a way to temper the application of R2P, although the proposal eventually lost steam (Tourinho, Stuenkel & Brockmeier 2016). Within UN debates, Russia has objected far more frequently to R2P and has not put forth proposals or suggestions to refine the concept. At the same time, Russia justified its unilateral military interventions in Georgia (2008) and Ukraine (2014) as justified under R2P due to threats to Russian nationals. China, according to Fung (2016), has increasingly shifted from opposition to advocacy on behalf of R2P; in 2012, for instance, the Chinese government briefly floated the idea of Responsible Protection. Even though China later backed out, the proposal also suggests that, far from immutable, these countries' stances on sovereignty and intervention have been subject to subtle shifts even after the Libya controversy.

As the case of Libya shows, there is a methodological challenge in analyzing the role of a coalition like the BRICS with respect to specific conflicts (or any issue of international relations, for that matter): it is not always easy to differentiate the actions and positions of individual members from those of the grouping as a whole. While the focus of this paper is on the latter (and, as a result, the main

data sources are documents and speeches that express the five countries' collective view), in order to interpret how those positions came about it is also necessary to grasp the key engagements, motivations, and stances of particular members, particularly when they may have a strong pull in the way that the coalition positions itself and frames a particular issue.

Is there a collective response by the BRICS to the Syrian crisis?

Much like the case of Libya, the outbreak and intensification of the Syrian conflict became something of a test for the BRICS, at least from a Western perspective. First, because the BRICS began stressing that there had to be a reasonable prospect of success before they would be willing to support military intervention. Second, as Odeyemi (2016) notes, the BRICS' common opposition to military intervention early on in the Syrian case was also a reaction to draft resolutions sponsored by the US-France-UK (P3) alliance accusing the Assad regime of mass atrocities without mentioning opposition groups. In response to opposition, especially by Russia and China, then-French President Nicolas Sarkozy launched the Friends of Syria, an initiative outside the UNSC and whose first meeting—held in Tunis in February 2012—included open endorsements of military interventionism. The membership of the Friends of Syria (which has since dwindled into a "core group of eleven states") did not include the BRICS countries.

Indeed, this initial resistance—led by Russia and China—would reemerge over the next following years. Despite the UN initiatives that led to the destruction of Syria's chemical weapons stockpile and made incremental improvements to humanitarian assistance, these two permanent seat holders have blocked several resolutions (for instance, a May 2014 draft resolution that would have referred the Syrian crisis to the International Criminal Court) on the grounds that they are unbalanced in their accusations (Adams 2015; 'Recent Draft Resolution' 2015).

There were also geopolitical alignments, in particular Russia's historically close ties to the Assad regime. Allison (2015) has described Moscow's open support for the Syrian government during and after the Arab Spring as "a diplomatic shield for Damascus at the UN Security Council" even as it provided the regime with arms. More broadly, although the Middle East has been a secondary region within Vladimir Putin's foreign policy, the Kremlin's aspirations to reestablish Russia's global status have led it to reengage with the region, whose combination of natural resources and political instability make it an important site of global power politics (Trenin 2016). China's interests in the region are more closely tied to trade and energy, especially oil, but it is also interested in potential new markets, such as Iraq and Iran (Feng 2015). Chinese engagement in the Middle East has also intensified as Chinese assets and citizens have come under direct threat from recurring instability (Parello-Plesner & Duchâtel 2015).

The other members of the BRICS are, in comparison to Russia and China, less directly engaged with the Middle East, and the region carries far less strategic weight to their foreign policies than do their immediate vicinities. Nonetheless, all three countries have worked to intensify ties with Middle Eastern states in the post-Cold War period. In the 2000s, Brazil reached out to the region's countries, including Syria, during the government of Luiz Inácio Lula da Silva (2003-2010), which not only placed strong emphasis on South-South economic and political cooperation, but also attempted to play a mediating role in Middle Eastern conflicts, including the Palestine-Israel conflict and the mounting tensions over the Iran nuclear program (Silva & Pilla 2012). India has long pursued a combination of pragmatic economic cooperation, especially with the Gulf state and with Israel along with a "hands-off" non-interventionist approach to the region as a whole (Barakat & Pethiyagoda 2015). Finally, while South Africa's pattern of ties to the Middle East has changed considerably since the end of the Apartheid regime, its engagement has also been intermittent and driven primarily by economic considerations, political alignments (especially through the Non-Aligned Movement); while South Africa also views the region through the lens of security, its direct engagement is heavily focused on southern Africa (Bishku 2010). Lastly, it should be said that Russia and China have long sold weapons to Syria, and that Brazilian arms have also reportedly found their way into the conflict. These countries' individual engagement in the Middle East thus reflect a strong set of economic interests, along with a high degree of non-interventionism even as they express concern for recurring instability, including since the Arab Spring.

To what extent do these different degrees of engagement in the Middle East, and their respective sets of interests and motivations, shape the BRICS coalition's collective perspectives on specific conflicts? The grouping's common stances, and any changes in the BRICS positions on the Syrian conflict, can be inferred not only from their positions and arguments at the UN, where their voting patterns tend to express the individual states' preferences, but also from the annual declarations issued at the yearly head of state summits, analyzed below. The declarations reflect not only discussions at the summits themselves, but also the debates that take place during the ministerial and "sherpa" meetings held between the annual head of state meetings. The BRICS thus declarations filter, to some extent, any common positions among the four (now, five) states that were reached during ministerial meetings and annual summits¹.

Until the Sanya, China declaration (issued in April 14, 2011), the main international conflict referred to in the documents was the Libyan case ('BRICS Sanya Declaration, 2011' 2011). Subsequent declarations still made occasional refer-

¹ All of the BRICS declarations and action plans can be found on the following site, along with other BRICS documents: http://brics.itamaraty.gov.br/declarations-action-plans-and-communiques/listadecplan

ences to Libya², but the main focus of the declaration's passages dealing with armed conflicts shifted to the Syrian civil war, which began escalating rapidly and becoming more complex as a greater number of actors became involved in the fighting. As the analysis below shows, the high visibility of the Syrian conflict in BRICS documents and discussions attests not only to the intensification of the fighting, but also to the weight accorded by the coalition to the geopolitical and normative aspects of the war.

a) New Delhi: Syria Enters the BRICS Agenda

Starting with the 2012 New Delhi Declaration-issued after the Arab Spring had begun producing widely varying outcomes across the Middle East and Northern Africa³, and following major escalation in fighting in Syria—the BRICS summit documents began directly addressing the Syrian conflict. The New Delhi Declaration ('Fourth Summit: Delhi Declaration and Action Plan' 2012) made three points in reference to Syria. First, it called for the international community to deal with the crisis through "peaceful means that encourage broad national dialogues that reflect the legitimate aspirations of all sections of Syrian society and respect Syrian independence, territorial integrity and sovereignty." Second, the coalition welcomed efforts by the UN, including the appointment of Kofi Annan as Joint Special Envoy on the Syrian crisis, and by the Arab League. Third, the declaration encouraged the Syrian government "and all sections of Syrian society" to muster the political will to initiate such an inclusive political process. That year's declaration thus upheld established organizations, namely the UN and the Arab League, as the most legitimate external actors in addressing the crisis, even as the coalition also called for a political resolution to the conflict by Syrian groups. These stances can be understood not only in reference to the member states' individual interests in the Middle East and stances towards the region's instability-notably their strong preference at that time for non-interference, including in the Arab Spring movements-but also with respect to the nature and structural location of the BRICS within the international order at that time: namely, as a loose and incipient coalition of rising powers, rather than a full-fledged international organization with codified policies.

Gaps in content can be as telling as the points included in an official document. It is worth noting, then, that the New Delhi BRICS declaration made no reference to mediation efforts undertaken outside the scope of the UN and the Arab

² For instance In the 2013 meeting in Durban, the BRICS "call the parties should resolve their differences through peaceful means and dialogue in which the UN and regional organizations should as appropriate play their role. We also express support for the African Union High-Level Panel Initiative on Libya."

³ With respect to the Arab Spring, the Delhi Declaration makes vague statements in reference to the "turbulence" in the Middle East and Northern Africa, expressing the shred desire for these countries and their populations to experience peace and "regain stability and prosperity" (Point 19).

League, such as the consultations by the IBSA countries in Damascus, held in 10 August 2011, when a delegation of foreign ministers from the three countries met with Assad ('Statement to the Press from IBSA about consultations held in Syria – Damascus, August 10, 2011' 2011). The Syrian president had reassured the IBSA delegation that he was committed to a reform process designed to create a multi-party democracy, including through a revised constitution formulated in consultation with the Syrian people due to be completed by March of 2012. Assad also acknowledged that some mistakes had been made by the Syrian security forces when popular unrest first broke out, but reassured the IBSA delegation that his government was implementing measures to prevent them from reoccurring (Dikshit 2011).

The absence of any mention of the IBSA effort in the BRICS declaration from that year can be interpreted not only as a result of the mediation attempt's lack of results, but also as a reflection of the fact that the initiative was undertaken by another coalition altogether. Rather than a subset of the BRICS, the IBSA (launched in June 2003) has existed as a grouping for longer than the BRICS, and over time it developed an agenda of its own, as well as an identity that is distinct from that of the BRICS (namely, that the IBSA has been heavily influenced by the three members' status as diverse democracies located outside the UN Security Council). The non-mention of the IBSA mediation effort also underscored the BRICS' stance, at that point, that established global and regional organizations were the most legitimate venue for the international community to deal with the Syrian crisis. This represented, in essence, a conservative-legalistic perspective by the BRICS, considering that part of the motivation behind the coalition's founding was the ambition of transforming global governance.

b) Durban: Assad's Appeal to the BRICS

By the 2013 BRICS summit in Durban, South Africa (5th Summit, held March 25-27), the coalition had begun discussing the Syrian crisis in greater detail. Assad was nearly isolated on the international scene, and the legitimacy of his government was increasingly contested by the international community. At the Arab League summit in Qatar, the Syrian seat was filled not by a representative of the Assad regime but by Moaz al-Khatib, who had led the main opposition umbrella group, the National Coalition ('Moaz al-Khatib: Address to the Arab League' 2013) (that November, the Arab League would suspend Syria's membership altogether). Assad then sent a letter to the BRICS, delivered during the summit, requesting the coalition's help in halting the conflict while protecting Syria's territorial integrity against groups he denominated as "terrorists" by rebuffing "blatant foreign interference" that would, in Syria's view, contradict the UN Charter:

"You, with all the huge political, economic and cultural weight you represent that seeks to consolidate peace, security and justice in the troubled world of today, are called upon to exert all possible efforts to end the suffering of the Syrian people [...] [the BRICS is] "a just force that seeks to spread peace, security and cooperation among countries away from hegemony, its dictates and oppression which have lasted for decades upon our peoples and nation." (Gladstone & Droubi 2013)

Seeing himself isolated on the world scene, it is no surprise that Assad turned to a coalition that had presented itself—if not revolutionary in the sense of trying to upend the existing international order—then at least an "outsider group" willing to contest norms and push for substantive reform of key institutions.

Although the coalition did not issue an open reply to Assad's message, in that year's declaration ('Fifth Summit: eThekwini Declaration and Action Plan' 2013), the BRICS condemned the violations of human rights and of international humanitarian law resulting from the escalating violence—without specifying particular groups. Instead, the BRICS once again referred the Syrian issue to the UN, expressing support for the Joint Communiqué of the Geneva Action group (*Action Group for Syria Final Communiqué 2012*) (now referred to as Geneva I Conference on Syria) as providing "a basis for resolution of the Syrian crisis and affirm any further militarization of the conflict," as well as calling for respect for "Syrian independence, territorial integrity and sovereignty". This stance can be understood as geared specifically toward the US and NATO, which the BRICS had previously criticized for carrying out unilateral military interventions that infringed on national sovereignty and produced disastrous results.

The Durban declaration also honed in on the humanitarian crisis associated with the intensifying conflict. The document "upon all parties to allow and facilitate immediate, safe, full and unimpeded access to humanitarian organizations to all in need of assistance" and urged parties to "ensure the safety of humanitarian workers." This position reflects the growing relevance of the BRICS countries, both individually and collectively, as humanitarian actors, whether (such as Brazil) through contributions to UN programs, funds and agencies, or via direct participation in disaster relief efforts, as in the cases of China and India after earthquakes and the 2004 Indian Ocean tsunami; indeed, the coalition had begun to exchange ideas on humanitarianism, although linking it primarily to natural disasters and the responses to such emergencies.

Nevertheless, this growing attention to certain aspects of humanitarian action did not prevent some observers to call upon the BRICS to be more proactive in addressing the Syrian humanitarian crisis; writing in the Brookings Institution website, for instance, Shaikh (2013) argued that the BRICS should "support a more aggressive effort to ramp up the UN's cross-border aid operations inside the country," and that the five countries ought to "use their influence to secure a Security Council endorsement of this approach, principally by applying pressure on Russia and China." However, the five countries' stance on non-intervention, which had been reinforced by their perceptions of the Libyan intervention's outcome, kept the coalition's statements vague and precluded any concrete coordination on this issue within the UN.

Adding to this was the fact that, outside the bounds of the coalition, there were growing geopolitical tensions at play. The Russian government was reportedly concerned that the type of substitution of the Assad regime with opposition coalitions seen in the Arab League would be repeated within the UN, further isolating its ally and thus weakening Russia's own foothold in the region. Moscow also continued to worry about Western intervention in Syria. Earlier that year, the Obama administration had considered launching air strikes after the Assad regime used chemical weapons, crossing a self-imposed "red line" (ultimately, Obama opted not to intervene unilaterally, not only due to opposition from Congress and the uncertainty of the outcome, but also because Russia offered to dispose of the Syrian chemical weapons stockpile).

Although Russia's gesture helped to diffuse tensions over the US-drawn red line, geopolitical antagonism continued to escalate between the Moscow and Washington. Media outlets reported that, during his flight back from Durban to Moscow, Putin issued an order to hold large-scale military exercises in the Black Sea area (Russia 2013). Because the area borders Turkey, the move was interpreted by some observers as a warning against foreign intervention in Syria ('BRICS Summit draws clear red lines on Syria, Iran' 2013). The growing geopolitical antagonism between Russia and the US, which had manifested itself in Eastern Europe, began to be felt more acutely in the Middle East. It also helped to explain why, although both Washington and Moscow increasingly framed the Syrian conflict in terms of the threats posed by the spread of violent extremism, they have had great difficulty in collaborating on the issue.

This sharpening global power rivalry coincided with the increasing salience of terrorism in Syria, particularly because the group calling itself the Islamic State of Iraq and the Levant (ISIL, also known as ISIS or Daesh) proclaimed a caliphate and rapidly expanded its territorial control over parts of Iraq and Syria. Despite the geopolitical layers of the conflict and the elements of social discontent that had triggered protests and violence in the first place, Moscow and Damascus began amplifying their discourse that the Syrian conflict was primarily about combating terrorism. Eventually, as the next declarations show, this reframing effort became a cornerstone of the BRICS coalition's conception of the Syrian war.

c) Fortaleza: The Growing Focus on Terrorism and Humanitarian Access

In the summit held in Fortaleza, Brazil (6th Summit, July 15-16, 2014), the coalition's attention was heavily focused on economic cooperation, especially the launch of the BRICS New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). Development financing became the "path of least resistance" for the coalition—the area in which they found the most common interest and least obstacles to joint projects, and therefore the easiest path to institutionalizing the BRICS (Abdenur & Folly 2015).

However, international conflicts apart from Libya and Syria were looming large in the international agenda and prompting responses by both individual BRICS and the coalition as a whole. In September 2013, in a comment piece in the New York Times, Vladimir Putin had openly addressed the US government and the American people, cautioned against US intervention in Syria (Putin 2013). In February 2014, the international community's attention turned to Crimea. In the aftermath of the annexation, China, Brazil, India and South Africa (along with 54 other nations) all abstained from the UN General Assembly resolution criticizing the Crimea referendum, a move that was widely interpreted in the West as essentially supporting the Russian position (Diplomat 2014).

However, this backing was only partial: Brazil, India, China and South Africa were not among the ten states joining Russia in voting against the non-binding resolution ('UNGA A/RES/68/262 Territorial Integrity of Ukraine' 2014). The stance of the other BRICS regarding the Crimea crisis hinted at their future behavior with respect to the start of Russia's military intervention in Syria in 2015: a distancing that is read by many Western actors as tacit approval, and that can be explained as a decision to accommodate or even cave into their fellow BRICS member (Russia) so as to maintain the cohesiveness of the coalition.

Against this complex geopolitical backdrop, in its references to Syria the Fortaleza declaration ('Sixth Summit: Fortaleza Declaration and Action Plan' 2014) underscored the coalition's concern with the deteriorating humanitarian situation. The BRICS also reiterated that "there is no military solution to the conflict," highlighting "the need to avoid its further militarization" and stressing the necessity of a political solution through national dialogue and reconciliation. Here the BRICS were trying to de-link humanitarian issues from military intervention, since they felt that the former had been wrongfully used in the past to justify regime change by Western powers.

This time, however, the BRICS made a more specific call for a "complete ceasefire" and for the involved parties to "facilitate immediate, safe, full and unimpeded access for humanitarian organizations and agencies, in compliance with the UN Security Council resolution 2139." This is the first mention within the declarations of a more concrete mechanism that could open a path towards a political solution, and it reflects some of the ideas that were arising in the UN-supported talks and that would eventually feature more prominently in Russia-US negotiations.

By that time, an investigative team appointed by the UN had confirmed the use of chemical weapons in the suburbs of Damascus and Aleppo, among others places, and in September 2013 the Assad regime had been pressured into agreeing to relinquishing its chemical weapons under the direction of the Organization for the Proscription of Chemical Weapons (OPCW) Executive Council and following UN Security Council resolution 2118 ('UNSC S/RES/2118' 2013). The BRICS continued to support other UN efforts at mediating the conflict, including the appointment of Staffan de Mistura as UN Special Envoy to Syria to help coordinate efforts to create dialogue channels for Syrian groups.

However, it was also in the Fortaleza declaration that the BRICS official discourse began to place an even stronger stress on terrorism as a salient aspect of the Syrian conflict. The term terrorism, in fact, begins to appear in clusters in the declarations, for instance with four references in just two contiguous sentences (emphasis mine):

We reiterate our condemnation of terrorism in all its forms and manifestations, wherever it occurs. We are gravely concerned at the continued threat of terrorism and extremism in Syria. We call on all Syrian parties to commit to putting an end to terrorist acts perpetrated by Al-Qaeda, its affiliates and other terrorist organizations.

The attention paid to the idea of terrorism is not surprising given that three of the BRICS – Russia, India and China—list violent extremism among their main national threats, and that those governments often note the international connections of groups they consider to be terrorist⁴. In 2016, India and China, despite their history of modulated antagonism on security issues, have begun cooperating bilaterally on terrorism issues (Dasguptal 2016). There is thus not only some parallels in these three countries' discourses regarding terrorism, but also concrete mechanisms through which they begin to collaborate on this issue.

Brazil and South Africa, on the other hand, have been more critical or aloof from debates about terrorism, either due to skepticism about the labeling of many⁵ insurgent or separatist groups as such for political reasons, or due to the relative

⁴ The Russian government has a strong discourse of combating terrorism among Muslim insurgents in Chechnya, Dagestan and other parts of the country and has expressed concerns about extremist groups' international ties. The Chinese government labels separatist groups in Xinjiang, especially those of Uyghur origin, as terrorists whose networks receive support from Central Asia. And India accuses militant groups of terrorism, claiming they receive support from networks in Pakistan.

⁵ Interview with Brazilian diplomat, Brasília, May 2016.

distance (geographic) from major terrorist attacks to date. This discrepancy, in turn, suggests that Russia has found in China and India support for its efforts to focus the coalition's attention more heavily on the issue of terrorism, thereby strengthening the justification for any future intervention by Russia.

Some degree of agreement among Russia, China and India on this issue may also be attributable to the fact that all three countries have not only maintained full diplomatic ties to the Syrian government, but also kept their embassies in Damascus. Brazil and South Africa, on the other hand, have also maintained bilateral relations with the Syrian government, but at a lower level of intensity: Brazil has kept only a consulate after evacuating its diplomats to Beirut; South Africa's ambassador to Egypt is accredited on a non-residential basis to Syria, since there is no South African mission in Damascus ('The Syrian Arab Republic' n.d.).

The declaration also mentions the Syrian presidential elections, held on June 3, 2014— the first multi-candidate election in decades since the Ba'ath party first came to power in a coup. The elections had been denounced by opposition groups as unfair, and there were reports, especially in Western media, of boycotts by domestic and foreign-based Syrian opposition groups and of voting not taking place in large parts of the country, especially areas under rebel and Kurdish militia control (Barnard 2014). Although the Fortaleza declaration only references the elections in passing, by adopting a neutral stance the BRICS in essence declined to align with the (mostly Western) condemnations of the electoral process that ended in a landslide victory for Assad. Again, this stance indicates that Moscow began to exert increasing influence over the production of a collective discourse by the BRICS coalition on the Syrian conflict, including with respect to the political dynamics of the civil war.

d) From Ufa to Goa: Before and After Russia's Military Intervention

The next BRICS joint declaration ('VII BRICS Summit UFA Declaration' 2015), issued in Ufa, Russia (7th summit, held July 8-9 2015), was published shortly before the start of Russian military intervention in the Syrian Civil war. The stress on the role of terrorism in the Syrian conflict was once again reflected in the summit document, which underscored the "growing threat of international terrorism and extremism in the region." However, this focus featured an innovation in comparison to the previous declaration: in the Ufa document, the BRICS invoked specific and related UN instruments, calling for the "strict implementation by the international community of all provisions of the UN Security Council resolutions 2170, 2178 and 2199, particularly dealing with suppression of financing and other forms of supporting terrorists, as well as for compliance with universally recognized norms of international law related to countering terrorism and extremism, including the principles of respect for the sovereignty of the states." ('Security Council Adopts Resolution 2170 (2014) Condemning Gross, Widespread Abuse of Human Rights by Extremist Groups in Iraq, Syria | Meetings Coverage and Press Releases' 2015) In addition to situating the issue of terrorism within UN debates and initiatives, the Ufa declaration also linked terrorism to geopolitics, referencing the "spillover effects of the instability in Iraq and Syria resulting in growing terrorist activities in the region, and urge all parties to address the terrorist threat in a consistent manner".

Regarding the humanitarian crisis, the BRICS once again expressed concern with the deteriorating situation, but this time condemning "the politicization of humanitarian assistance in Syria," in particular noting "the continuing negative impact of unilateral sanctions on the socio-economic situation in Syria." The section refers, in general terms, to the debate that was intensifying at that time surrounding the delivery of aid to besieged Syrian towns and the rapidly deteriorating situation in Aleppo, and escalating accusations between the US and Russia that the other was politicizing humanitarian aid by creating obstacles for the delivery of aid.

In the document, the coalition openly supports Russia's political role in trying to push for a solution, but—whereas the coalition once underscored the importance of a UN-led solution, by Ufa the BRICS begin to praise Moscow's initiatives outside of UN bounds, especially its hosting of two rounds of informal meetings with Syrian groups, in January 2015 ('Press release on the start of an inter-Syrian meeting in Moscow' 2015) and in March 2015 (after which Russian Foreign Minister Sergey Lavrov met with de Mistura ('Press release on Sergey Lavrov's meeting with Staffan de Mistura' 2015). These meetings were held after the UNbacked Geneva II Conference, in early 2014, failed to produce a solution to the crisis⁶, and to some extent the coalition's stance reflected the broader international community's growing fatigue with the UN-brokered process, as well as the growing (if silent) recognition that the US and Russia had made themselves into the most indispensable actors in any political solution to the conflict, at least for initial steps such as a general cease-fire arrangement.

Just weeks after the Ufa declaration was issued, however, Russia assumed a direct military role in Syria. The intervention was launched in September 2015, following an official request from the Syrian government for military assistance against rebel and jihadist groups. After Russia's upper house granted permission, Russia carried out air strikes (naming Daesh as the official target) by aircraft stationed in the Khmeimim base, southeast of Latakia. The strikes primarily targeted areas of northwest Syria concentrating military groups opposing the Syrian government, including the Syrian National Coalition, Daesh, al-Nusra Front (al-Qaeda

⁶ These consultations were met with mostly negative reactions outside of Russia (AE article, etc) and some analysis believe it was an attempt to unite a more pro-regime opposition.

in the Levant), and the Army of Conquest ('Russia carries out first air strikes in Syria' 2015). In addition, Russian military advisors and special operations forces, the Spetsnaz, were sent to Syria, and naval infantry were used to secure a port in Tartus and the area surrounding an airfield in Latakia, as well as to help seize the historic site of Palmyra from Daesh.

That fall, the International Syria Support Group (ISSG), a working group formed to find a political solution to the crisis, was formed during the Vienna Talks of November 2015, with the US and Russia as co-chairs. While Intra-Syrian Talks, mediated by de Mistura's team, have been tailored towards bringing together the different Syrian warring parties, the ISSG became, in effect, a platform for attempts to negotiate among the geopolitical players in the war. China was also among the founding members, while Brazil, India, and South Africa have stayed out of the working group—signaling another distancing in level of engagement between the two BRICS that hold permanent seats at the UNSC, and the three that do not.

In February, Russia led an intensive bombardment of Aleppo, with major casualties and displacement of civilians adding to the outflow of refugees into neighboring countries and other regions. The Russian intervention was a major geopolitical landmark, in that it was the first time that Russia launched a major military incursion beyond the borders of the former Soviet Union since the end of the Cold War. Moscow's initiative was presented by both the Russian government and its Syrian ally as an effort to combat terrorism, and Assad personally thanked Putin during a surprise visit to Moscow (The Guardian n.d.). While the other BRICS have not put "boots on the ground," China has announced that it will step up not only humanitarian assistance to Syria, but that it has also discussed with Damascus the idea of boosting bilateral defense cooperation by training Syrian troops ('China "to provide aid, enhance military training" in Syria – top army official' 2016).

The BRICS declaration for the 2016 summit, due to be released at the Goa, India summit in October, will thus the first BRICS statement issued after Russia assumed a direct military role in the Syrian conflict. In the preparations leading up to the summit, the coalition held a meeting of BRICS security advisers to hammer out parts of the security agenda for Goa. According to Indian media outlets, in addition to deepening defense and military cooperation ties among the five countries, the meeting was expected to "focus firmly on terrorism, the Syria situation and developments related to the South China Sea (Gupta 2016)". One major newspaper reported that "India wants BRICS countries to forge a common front against terrorism in the subcontinent and would like to see the Islamic State rooted out of Syria. (Gupta 2016)" However, as of this writing the coalition lacks any mechanism for sharing intelligence or devising cooperative approaches to violent extremism, including the Syrian context, so any decisions that come out of these initiatives are likely to remain at the discursive level.

The timing may also be related to the efforts by Moscow and Washington to implement a lasting cease-fire, although during the September 2016 General Assembly that initial effort floundered in part due to violations of the cessation of hostilities by both sides. Nonetheless, the BRICS defense adviser's meeting agenda shows that the Syrian conflict has entered the BRICS discussions at several levels, from head of state to ministerial, as part of a broader agenda on conflict hotspots, and that other BRICS, especially India and China, are likely to back Russia's efforts to underscore the role of terrorism in the Syrian civil war, as reflected in the past three BRICS declarations. In turn, the attention paid by the BRICS coalition has generated new expectations about the role it could play in helping the Middle East in 2015, for instance, Jeenah (2015) appealed to the BRICS to use the New Development Bank to finance infrastructure projects in the countries that have been receiving the bulk of Syrian refugees (Turkey, Lebanon, Jordan, Iraq and Egypt), noting that-although the UN has estimated that these countries would collectively need US\$5.5 billion in 2015 alone to fund their response to the Syria crisis, their status as middle income countries within the World Bank loan scheme renders them ineligible to receive certain kinds of assistance from the established development financing organizations. This gap, in turn, creates an opportunity for the BRICS to have a direct and positive effect in the Middle East by attenuating some of the spillover effects from the Syrian crisis.

Conclusion

This paper has explored the relevance of a loose coalition of rising powers, the BRICS, in international security by analyzing their stances towards, and roles in, the Syrian conflict. Unlike an established multilateral organization, this "platform of convenience" is part of a fluid, interlocking network of multilateral arrangements that give individual actors multiple arenas in which to negotiate (or avoid) agenda items. The role of the BRICS in international security must be understood within this broader context of forum-shopping, which is enabled by the decentralization of global governance and the emergence of new coordinating platforms like the BRICS, IBSA, or the G-20.

Despite finding more common ground in economic and development issues than in security ones, the BRICS coalition has repeatedly positioned itself with respect to specific armed conflicts, particularly Libya and Syria. In the case of the Syrian war, the BRICS stances are at first vague statements expressing the wish for peace, but over time—even if the coalition has at no point suggested a concrete path to resolving the crisis—its official statements have come to include support for specific mechanisms that emerged either through the UN or outside of that

architecture.

In the first years of the BRICS coalition's existence, the central theme in international security that the four countries (later five, with the 2011 inclusion of South Africa) grappled with was the military intervention in Libya and its aftermath. While these countries' respective positions on non-intervention were neither equivalent nor completely rigid, they reached a point of convergence in their common criticism of the way in which R2P was invoked to justify the military intervention. The related normative debates at the UN over the use of force, as along with the failure to stabilize Libya, helped to shape the BRICS' collective stance on the Syrian conflict early on in the civil war. More specifically, the five countries either opposed or refused to endorse military intervention by the international community on the same grounds as had been drawn upon in the case of Libya-stances that filtered into their annual summit declarations. And, although other factors helped block military intervention in Syria via the UN or by the US (whether unilaterally or via an ad hoc coalition), the BRICS proved to be a relevant force by essentially acting as a "norms blocker", that is, restraining the application of R2P in Syria. The coalition did not, however, engage in norms entrepreneurship, although some of its member states, primarily Brazil and China, made partial attempts to refine or revise the R2P normative framework.

By the 2013 BRICS Summit in Durban, the Syria conflict loomed large on the coalition's security agenda. Although the democratic BRICS member states, working through the separate IBSA platform, briefly attempted to mediate the intensifying conflict, they were unable to achieve concrete results, and the initiative went unacknowledged in BRICS documents. Their membership overlap notwithstanding, there are significant differences in the collective identities, agendas, and level of institutionalization of these two coalitions; and the BRICS' official positions and documents reflect a desire to develop and institutionalize a collective agency in its own right, including in the security realm. At any rate, since then IBSA has lost political clout, appearing less and less among the foreign policy priorities of its member states. Meanwhile, the BRICS—economic deceleration and some political changes in member states notwithstanding—has expanded in relevance by launching new institutions, such as the NDB, and by diversifying the topics covered in summits and ministerial meetings.

The single biggest factor in reshaping the BRICS discourse on Syria, however, has to be explained in light of the preferences and behavior of a single state: namely, Russia's increased engagement with armed conflict, first through its role in the Crimea crisis and, more recently, through its open support for the Assad regime and direct entry into the Syrian conflict. Although the Russian perspective on Crimea was that it was reincorporating a region that was inhabited predominantly by ethnic Russians, to Western countries the annexation represented a hypocritical infringement of the same concept of national sovereignty that Russia tends to defend within the UN. The case of Crime ended up creating some tension in the BRICS' collective defense of the concept of sovereignty in security issues--although it was not abandoned altogether, as the successive summit declarations show. Russia's role in the Syrian war also posed some contradictions for the BRICS' insistence that a political solution through inclusive negotiation is the only solution to the crisis, because the growing alignment between Moscow and Damascus makes the coalition, by association, closer to one of the parties in the conflict, even if this alignment is indirect and tacit. At any rate, the ties between Moscow and Damascus increase the likelihood that the Assad regime will also remain an indispensable actor in the resolution of the war.

Over the past two years, as Daesh and, to a lesser extent, al-Nusra become more salient in media reports and political discourse around the Syrian conflict, Russia's direct participation in the conflict has caused the BRICS collectively to reframe the civil war heavily (and excessively narrowly) in terms of terrorism. Russia is unlikely to be the sole driving force behind this effort, since both China and India also have strong interest in fighting terrorism, in part because they face separatist groups internally that are categorized as such by those respective governments. However, the same cannot be said of South Africa and especially Brazil, whose diplomatic discourse, quite on the contrary, has often been skeptical or openly critical of how categories such as terrorism are invoked to legitimize military action. The fact that the concept of terrorism has come to permeate the BRICS' collective stance on Syria suggests that Moscow, Beijing, and New Delhi have had a strong influence on the coalition's perspectives on the conflict, and that these member states are likelier to find common stances if not concrete cooperation over this issue.

A third ambiguity arising in the BRICS declarations concerns the coalition's view of the UN as the most legitimate venue for engaging with the conflict and of the mechanisms established by the organization in order to work towards a peaceful resolution. While the BRICS coalition is far from the only actor expressing frustration at the lack of progress stemming from the Geneva talks—in addition to Russia and the US, various actors in the Middle East, including Egypt and the Arab League, have supported other mediation arrangements—their stance on the Syrian conflict is shaped in part by their sometimes ambivalent view of the UN itself: even as the BRICS uphold the UN as the most legitimate venue for collective action, the coalition is also increasingly willing to endorse mediation initiatives for Syria undertaken outside of its architecture, especially when driven by Russia. Given that the BRICS is itself something of a selective "outsiders' group"—albeit a reformist rather than one—it finds it easier to toggle between UN-led solutions and arrangements undertaken outside of that architecture altogether. Thus, even though among the BRICS countries Russia is by far the most directly involved actor in the Syrian conflict, the coalition as a whole remains an important (if not indispensible) actor in the Syrian conflict, whether this relevance is expressed through engagement (military, mediation or otherwise) or disengagement. Given the receptivity of the Assad regime to the BRICS, it is not implausible that, in the case of a conflict resolution scenario in which the regime remains an important actor, there will be concrete demands for peacebuilding efforts by the BRICS, whether collectively—for instance, through the NDB—or individually. Given their experiences in infrastructure construction, technical cooperation, social policy experiments, and South-South cooperation more broadly, these states may end up shaping post-conflict reconstruction in Syria and development in its neighboring countries, provided also that the BRICS states remain "rising" (rather than stagnant or submerging) powers willing to engage hands-on outside their own vicinities.

Future research on the role and relevance of the BRICS, however, still needs to be deepened and broadened. There is, for instance, a considerable lacuna in the analysis of individual BRICS states' history, interests, and roles in Syria and the broader region. The coalition, after all, may be more than the sum of its parts, but—as the case of Russia and the Syrian conflict shows—it remains a loose platform for coordinating positions, and as a result, its stances and behavior can be strongly influenced by the preferences and limitations of one or more of its members, depending on the issue at hand. Finally, more research is needed on how different Syrian actors, whether the Assad regime itself, rebel groups, or other geopolitical players involved in the conflict, view the BRICS's relevance to the conflict and its resolution. These lines of research would help to elucidate whether, and to what extent, the BRICS will become more important players not only in normative debates about international security, but also concrete cases of major armed conflict, in the Middle East and other regions.

Bio

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Article

Towards a Post-Western Global Governance? How Africa-China relations in(form) China's Practices

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Abstract

We often hear and read about the various ways in which China can help African countries develop, about how Africans should learn this lesson or the other from China, and about how China's interests in Africa in the early 2000s have made Africa become more visible as an international market and a trade partner. We do not, however, hear or read enough about the ways in which Africa reciprocally provides opportunities for China (other than natural resource supplies), about how trading (multilaterally and bilaterally) with African countries helps China gain muchneeded experience in global economic development, or about how cooperation platforms between China and African states have provided much needed feedback for China to adjust and readjust its conduct according to different contexts. Trading with African countries opens up many unique opportunities for China that remain underexplored in the extant literature. This article seeks to rectify this mainly by focusing on what China learns about global governance from its experience implementing trade and investment projects across Africa.

Keywords

China, G20, Global Governance, Africa, Foreign Policy, emerging powers

Introduction

On September 4th and 5th of 2016, China's ancient capital Hangzhou hosted the eleventh edition of the G20 summit. Hangzhou has traditionally been a commercial and trade hub of China during the Song Dynasty and it is only fitting that this year's G20 summit is hosted there further emphasizing China's re-emergence as a contemporary trade hub. The summit's theme reads "towards an innovative, invigorated, interconnected, and inclusive world economy," and among the ten target-outcomes China aims to achieve through the summit is "adopt[ing] an action plan for the implementation of the 2030 Agenda for Sustainable Devel-

opment," "deepen[ing] reform of the international financial architecture," and "initiating cooperation to support industrialization of Africa." I highlight these three particular outcomes because they symbolize China's perception of global governance in a succinct way. The first goal which is about achieving the United Nations development goals signals China's intention to pursue a continuation of existing international development goals and support of existing international order and institutions (the UN in this case). The second goal which is about deeply reforming the financial architecture suggests China's dissatisfaction with current financial institutions (IMF mainly) and intention in launching and promoting Chinese alternative financial institutions (namely the BRICS bank which is also known New Development Bank NDB and the Asian Infrastructure and Investment Bank AIIB, among others). These first goals, in my sense, sum up China's dual strategy vis-à-vis the current international order, support the continuation of the order by backing UN-led development initiatives while at the same time initiating alternative institutions and platforms (see Bloomfield 2015, Clark 2014, Feng 2015, Sohn 2012). The third goal signals the importance and central role of Africa to China's global governance agenda and is the main focus of this article.

To be sure, besides the visibility that organizing and hosting as high-level event as the G20 gives to China, the summit is also an opportunity for Chinese policy makers to promote and further discuss of the role of two large scale China-led initiatives, AIIB and the New Silk Road in international development as well as China's learned expertise – from interacting with African states – with regards to international development. The question asked in this article is, what should we expect Global Governance with Chinese characteristics to look like? The argument presented is that by examining China's Africa policy and its development agenda in Africa, we can extrapolate and understand China's overall perceptions of global governance and how to go about it.

In this pursuit, this article is organized as follows. First, I provide a brief analysis of China-Africa relations – mostly from the China-Africa cooperation summit (FOCAC) given its relevance to the topic of global governance. I propose that gaining experience with FOCAC Forum has had implications on how China views its role in economic global governance through platforms such as the G20. Next, I highlight the ways in which cooperation with African states shapes China's experience with multilateral cooperation and global governance. Africa, indeed, represents an opportunity for Chinese foreign policy to both show to the international community that Beijing is committed to peace and security and to advance Chinese alternatives to the Washington Consensus. Africa is also the place where Chinese foreign policy can have bilateral as well as multilateral cooperation mechanisms which enhances China's cooperation skills. Third, I explore

¹ http://en.chinagate.cn/2016-08/23/content_39145247.htm accessed September 2, 2016.

the question of what global governance with Chinese characteristics might look like if we extrapolate from the context of China's Africa policy to China's global strategy. It follows that, as I explain in subsequent parts of the article, China's Africa strategy has many similarities with how the Belt and Road Initiative is set to be implemented. Based on analyzing these similarities, I highlight some salient characteristics of China's model of investment-led development such as the infrastructure for natural resources swap, the focus on investments in lieu of fungible foreign aid, and the centrality of promoting people-to-people exchanges. The article then ends with a discussion of the opportunities and challenges facing China as it takes on a more assertive leadership role in global governance.

Background to China-Africa trade and investment relations

Today, China is Africa's largest partner, but it is not a new partner. Scholars have traced the first encounter between China and the African continent to the naval expeditions of general Zheng He in 1418 (Xing and Farah 2013: 134). Fast forward to a more recent era, China-Africa's contemporary relations can be traced to the Bandung Conference which took place in the midst of waves of anti-colonial wars across Global South states (Alden and Large 2011: 28). The Bandung Conference and the non-aligned movement both diffused a spirit of solidarity among Global South states as they were struggling against Western hegemonism. In the period between the 1960s and 1980s, China and African states have been mutually supportive of one another. China, under Mao, provided assistance during and after the independence wars, while African states stood with China during its bid for the United Nations Security Council (Taylor 2011: 56).

Since then, China Africa relations have changed substantially. The recent relations have become more expansive, less ideologically-motivated, more robust and also more institutionalized due to FOCAC. FOCAC which is the Forum of China Africa Cooperation was initiated in the year 2000 and convenes every three years alternating between being held in Beijing and an African capital. The Forum includes all but four African countries (which recognize Taiwan as independent of China) and since 2012 the African Union was added as a full member (Benabdallah 2015: 52). FOCAC can either be held as a conference (Ministeriallevel) or as a summit (Heads of states-level) and results in Action Plans which are implemented and evaluated over a period of three years. In the next section I examine FOCAC as a governance platform with the purpose of analyzing how Africa-China relations shape China's governance practices.

FOCAC as a China-Africa governance Platform

Global governance is a capacious term which refers to formal and informal, private and public institutions (such as the UN, WB, Green Peace, etc.) which aim

at addressing issues which concern international actors and necessitate collective action to resolve (Acharya 2016, Stephen 2014: 4). Summits such as the G8 and G 20 are examples of governance platforms. In the context of China-Africa relations, the Forum for China Africa Cooperation (FOCAC) is an example of a global governance platform for Chinese policy makers and African counterparts to discuss development goals, visions, challenges, and agenda plans for the years to come.

To date, there have been six editions of FOCAC. Each FOCAC crafts China-Africa cooperation action plan for the coming three years. The agenda of each forum usually announces the disbursement of an amount of financial assistance which usually gets divided according to a project-based approach. For example, the latest FOCAC (held in South Africa late 2015) promised \$60 billion worth of loans, aid, funding, and other projects. This amount was double the amount announced during the fifth FOCAC meeting and by August 2016, the Chinese government announced that about 95% of FOCAC 6th total amount has been disbursed. The areas of cooperation covered under FOCAC include everything from economic, cultural, social, military, agricultural, financial and educational programs. FOCAC action plans also include a mix of foreign direct investment projects, foreign aid, concessional loans, etc. Some of the recurrent themes across the different Forum agendas include environment protection, sustainable energy extraction, wildlife conservation, terrorism, piracy, food security, heath epidemics, etc. The agenda plans usually consist of Chinese policy makers offering assistance to resolve these issues using Chinese and African expertise on the matter.

What FOCAC tells us about China's economic governance model

Besides financial gains from the multilateral cooperation platform, China-Africa summits open up other opportunities for China's role in Global Governance. Here I focus on three main points. First, African leaders' constant loop of feedback about their cooperation with China on what works and what needs to be changed helps Chinese policy makers tweak, adapt, or change certain aspects of its investment strategy. For example, the focus on Corporate Social Responsibility (CSR), which is a commitment by companies to integrate environmental and social justice considerations in their business negotiations and plans, is something that Chinese firms are learning to implement based on their experiences in Africa (Bednarz 2013). CSR is a relatively new concept for Chinese companies and even as these companies operate domestically (in China), they do not always implement CSR (see Negusu Aklilu 2014, 34). However, because of grass root-level activism and civil society organizations in many African countries calling on foreign investors to pay attention to indigenous populations' rights, environmental justice and wildlife, Chinese state-owned as well as private firms are learning to include CSR into their operations and projects Tan-Mullins and Mohan 2012.

Second, engaging with African states on such diverse platforms as infrastructure, cultural exchange, fighting E-bola epidemic, anti-piracy, among many other areas give Chinese peacekeepers, soldiers, development practitioners, and policy makers more international practice, builds trust, and promote China as a responsible great power. Thirdly, FOCAC-sponsored projects give an opportunity for Chinese-led development alternatives to be tested on African contexts and hence tuned/adjusted as necessary. This is perhaps the most relevant opportunity to China's role in global governance.

At this point, one might ask what exactly are Chinese-led alternatives to international development? There are many things about international development that China does differently from the OECD or the Washington Consensus but I will briefly highlight a few of the most important defining characteristics of China's international development model or what some have coined the Beijing Consensus:

- Investment-led rather than foreign-aid based development,
- Resource for infrastructure swaps instead of fungible aid,
- Investments (by China) in improving people-to-people bonds, and, relatedly,
- A vital focus on technology transfers, investments in human resource development, and capacity building projects in order to ensure the sustainability of development projects.

Extrapolating from FOCAC to G20

Even though China's global governance engagement is far more expansive beyond Africa and its summit experiences are not limited to its relations with African states, exploring the China-Africa summit suggests certain characteristics that we may expect to see as standards in China's global governance strategy. The G20 platform is an excellent opportunity for China to show its integration in the current international order, cooperate with the world's most dynamic economies on multilateral development projects. Of course if for the previous G20 summits China was a participant mostly, in this G20, China is expected to show leadership and initiative in show casing the Chinese experience with development both domestically and through its relations with African countries. During this summit and acting as the host, Chinese delegates seize the historic moment of hosting this summit for the first time to not only discuss how the group can work with banks and other actors to advance Global Governance but also to promote China's own brand of development and share its development programs for Global South states. China is prepared to show leadership capabilities through the establishment and launching of two major initiatives which mark Xi Jinping's presidency: The Asian Infrastructure and investment Bank (AIIB) and the One Belt One Road (BRI) Initiative. The BRI initiative is a development/infrastructure plan while AIIB is a financial institution that supports BRI-related projects and other independent development projects. In this section I briefly discuss how they both work to advance global governance and development with Chinese characteristics. However, before I move on to that part, I would like to highlight here that having launched BRI as well as AIIB successfully before the G20 summit suggests that China is ready to show that it can be a major player in global governance and that it can have much experience to share with other great powers on financial and developmental sustainability. China's readiness with these platforms suggests a new phase of China's foreign policy making which lends itself more to norm-making rather than norm-following. Whereas China is still operating within the international order that exists, through participating at G20 meetings, UN peacekeeping missions, and other financial institutions, it is also sending signals that it deserves a seat as a major power that is qualified to advance its own initiatives.

Indeed, as I proposed in the introductory section, China's focus on both upholding the UNSDG and deeply reforming the international financial architecture suggest that Chinese foreign policy seeks to promote two things at once: change and continuity in the current international order. The G20 summit is a fitting exemplar of this dual track strategy. On the one hand China is providing support to the existing international institutions and proactively participating by hosting the summit. Yet on the other hand, China is advancing BRI and AIIB at the G20 summit as successful infrastructure and financial initiatives which have important lessons to share. China's call and interest in setting the agenda and writing the rules of the game is evident in selecting the official mantra for the summit to be about prioritizing "robust trade and investment." The three sub-themes which complement this mantra are "breaking a new path for growth," "more effective and efficient global economic and financial governance," and "inclusive and interconnected development." These four themes together are in line with China's foreign policy making in Africa.

Beyond the G20: towards a Post-Western Global Governance?

Global governance often gets critiqued for being Western-centric and for failing to respond to the particular needs and issues that emerge with the resurgence of regional and middle-income powers (Krickovic 2015: 557-558). Indeed, global governance under the U.S. and European powers'leadership has experienced, especially due the financial crisis of 2008, setbacks and fatigue see (Overbreek 2010: 701). Some of the specific shortcomings and failures include: a democratic deficit, lack of effective solutions to pressing issues such as climate change (Stevensen

2016), energy governance, financial stability, and unsatisfactory representation of developing countries (Dingwerth and Pattberg 2010: 702). However with platforms such as the G20 which does invite to the table many developing countries, and with China's leadership role in this latest G20 a question that begs to be asked is, what does a post-Western global governance look like? It is evident, in my sense, that if China takes on a more proactive leadership role in participating in Global Governance with platforms as inclusive and big as OBOR and AIIB, we could expect to see a different set of opportunities and challenges open up. I discuss these in the following sections.

First in terms of opportunities, an assertive role by China in global governance entails promoting the Beijing Consensus (the Chinese brand of development) as a viable alternative to the (Post) Washington Consensus. This might eventually lead to democratizing global governance by adding various alternatives ways of getting at the same end goals (the UN 2030 sustainable development goals). Similarly, democratizing global governance has also the advantage of reducing the risks of monopoly of global governance rule-making by a few (primarily) neoliberal, western-led institutions. Indeed, promoting a Chinese-led understanding of global governance can change the long Western-dominated global economic governance and provide a perspective from the Global South which is often the target of global governance policies.

China is uniquely well-positioned to take advantage of these opportunities and maximize on its position primarily because it has the financial prowess to resolve hanging global issues. Its willingness to play a more visible role on the international stage is now more than ever vital to the resolution of global trans-border issues (Abdenur 2014, Feng 2016). Additionally, China has the late-comer advantage in terms of assessing what has worked and what hasn't and further has the advantage of implementing sustainable development goals from the start of its projects rather than retrospectively work to render sustainable projects that have already been established. Relatedly, China is also strategically positioned and well-connected to both Global South states and big powers (Breslin and Liu 2016). China is part of BRICS, has strong relations and bonds of trust with several Global South leaders, while at the same time holds veto power at the UNSC and chairs exclusive club summits such as the G20. Last but not least, Chinese foreign policy's focus on people-to-people exchanges via capacity building programs and investments in human resource development projects open up unique opportunities for knowledge production and technology transfers of Chinese know-hows to different parts of the Global South.

Conclusion: Challenges Facing Chinese-Led Global Governance

Despite the many promising opportunities that could result from a China-led

Post-Western Global Governance model, there remain a few salient challenges which need to be addressed in concert with as many relevant parties (beyond the G20) as possible. I here explore three main challenges facing China's potential leadership role in global governance.

First, one of the most urgent challenges stems not from economic issues but instead from security concerns such as the rise of extremist violent organizations' threats and China's insufficient expertise in handling this (Chin and Thakur 2010). Indeed, whereas China's experience in international development and economic growth has matured significantly in the past two decades, its experience addressing global security challenges such as counterterrorism and CVE is very limited. A second challenge that faces China is the uncertainty of currency exchange value and decreasing oil prices. Platforms like the New Silk Road rely primarily on deals which consist of China providing infrastructure projects paid for by natural resources. The recent waves of depreciating value of natural gas and oil suggest that Chinese-built projects may in fact end up costing a lot more than the agreed-upon quantity of natural resources. Lastly, China's general reticent approach about civil society, NGOs, and advocacy groups can be problematic (Benabdallah 2015.) IR scholars increasingly argue for the need to pool the "wisdom of the great" when trying to anticipate potential issues or craft responses to emerging problems. Civil society is an important member of the stakeholders in global governance decision-making, policy crafting, as well implementation. Chinese foreign policy has yet to find ways to incorporate civil society organizations.

Overall, China's vital role in the success of global governance platforms in achieving UNSDG and promoting international development initiatives is without doubt. China's unique positionality as a "great power" as well as a "developing country" allows it room for maneuvering and negotiating on both sides of the table. Yet at the same time, this article showed how China learns quite a significant amount from interacting with African states, receiving input from them about Chinese-implemented projects, and gaining international-level experience while sending Chinese experts across the African continent.

Bio

Lina Benabdallah is completing a doctoral degree in International Relations at the department of Political Science of the University of Florida. Her scholarly interests include foreign policy conducts of rising powers and post-Western IR. Her dissertation examines Beijing's investments in human resource development and capacity building programs in Africa. It seeks to understand in what ways, besides economic leverage, China builds and diffuses power in its relations with Global South states.

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Rising Powers Quarterly is a peer-reviewed non-profit free-access journal dedicated to the study of the growing role of rising powers in global governance. It aims to explore the political, economic and social processes through which the states regarded as "rising powers" in world politics interact with other states as well as international and transnational organizations. This journal also aims to fill the academic lacunae in the literature on rising powers and global governance related themes since there is a growing need for a journal specialized on rising powers in parallel to their increasing importance in world politics.

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