

GLOBAL CHINA: GLOBAL GOVERNANCE AND NORMS

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OCTOBER 2020

China's efforts to secure a larger role for itself in multiple international institutions have generated questions about the scale of its ambitions and the tools it will use to advance them. From human rights to energy to trade, China's growing weight in the international system is bending institutions, rules, and norms in its preferred directions. At the same time, in other areas, such as internationalization of the renminbi and international law, China's aspirations continue to exceed its impacts.

The papers in this final installment of the Brookings Foreign Policy project "Global China: Assessing China's Growing Role in the World" examine China's approach to global governance, and specifically to China's efforts to influence institutions, norms, and rules at the heart of the modern international system. Taken as a whole, the pieces highlight that as the United States has stepped back in recent years from its traditional role in various international institutions, China has stepped forward, often to seek to encourage institutions, their member states, and other consequential global actors to better accommodate its preferences.

Taking these developments as a baseline, the papers offer a range of policy prescriptions for how the United States and other countries should respond in order to protect their interests and promote their values. In some areas, such as climate change, the authors call for the United States to explore deeper collaboration with China even as it competes vigorously with China in other areas of the relationship. In other areas, such as democracy promotion, the authors urge the United States to pursue a more competitive approach to blunting China's efforts to advance its ambitions.

Jeffrey Feltman writes China's growing influence at the United Nations is inevitable. Even so, he cautions that fears of China changing the U.N. from within are premature. The United States is still the U.N.'s most powerful member state. The U.N. has largely served as a force multiplier for American values, yet, Americans need to be realistic about the future as China assumes a larger global role and shifts its focus to peace and security work. Feltman suggests that having China operate within a system forged under U.S. leadership provides the U.S. with an advantage. However, Feltman warns, the U.S. must join forces with others at the U.N. to push back against Chinese and Russian attempts to distort normative principles of the U.N., and to prevent leadership vacuums from emerging that China will seek to fill.

Richard Gowan analyzes China's investments in U.N. peacekeeping missions. He notes Beijing has taken a cautious approach toward expanding its personnel commitments. Beijing is the second largest financial contributor to the U.N. peacekeeping budget, behind the United States, and the leading deployer of peacekeepers among the P5. Beijing has framed peacekeeping as an opportunity for cooperation with Washington at a time when relations between the two countries are deteriorating. Peacekeeping deployments also line up with China's growing investments in Africa, where more than four-fifths of all U.N. peacekeepers are currently based. Gowan argues that while China does want to gain greater influence of U.N. operations, its approach toward blue helmet missions is likely to remain cautious.

Sophie Richardson argues that the Chinese government's greater engagement with international institutions is not a gain for the global human rights system, and highlights the ways Chinese authorities are trying to reshape norms and practices globally. Chinese domestic censorship now extends across borders and, at the United Nations, China seeks to manipulate procedures to minimize scrutiny of their conduct. Richardson outlines steps to reverse these trends, for example, urging academic institutions to prioritize academic freedom. Companies have a responsibility to respect human rights and should reject censorship. Noting that the spread of COVID-19 has triggered a wave of racist anti-Asian harassment, Richardson stresses that efforts to limit the Chinese government's threats to human rights should not penalize people from across China or of Chinese descent.

James Millward and Dahlia Peterson describe China's system of oppression in Xinjiang and offer a slate of policy recommendations for the United States and its allies to increase public awareness and challenge repressive behavior in Xinjiang. Chinese Communist Party (CCP) policies toward Xinjiang have eroded Uyghur autonomy through forced ethnic assimilationism. Chinese and Western companies have provided surveillance technology to the Xinjiang public security and surveillance industry, and while some of these companies have been sanctioned by the U.S. Commerce Department, sanctioning has not yet had a significant impact. Peterson and Millward argue the United States must clearly articulate the intended aims of its policy actions on Xinjiang and strengthen refugee and cultural protection for Uyghurs.

Darius Longarino argues that Beijing undercuts its own rhetorical support for gender equality and diversity by advancing a model of human rights that prioritizes shielding the CCP from accountability. At the U.N., China has consistently voted against measures to protect LGBT rights despite expressing opposition to discrimination based on sexual orientation and gender identity. Beijing has also held itself out as an advocate for global gender equality but has used its influence to marginalize women human rights defenders. Although Beijing may have significant material and technical resources to contribute to promoting gender equality globally, the international community must not trade away support for human rights and civil society advocates to secure Beijing's promise of cooperation.

Lindsey W. Ford spotlights Chinese President Xi Jinping's focused efforts to alter the security architecture supporting the Asia-Pacific regional order. China is seeking to contest the "network power" that has enabled American leadership in the Asia-Pacific. To achieve this goal, Beijing is seeking to build a multilayered network of security institutions, partnerships, and cooperative activities that enhance its regional influence. Ford writes China aims to establish a security architecture that is more exclusively "Asian," free of alliances, more attendant to its domestic security concerns, less liberal, and solidly rooted in Chinese economic power. While the United States remains the security partner of choice for many Asia-Pacific countries, China is offering viable alternatives that have popular appeal to authoritarian and illiberal-leaning leaders. These alternatives have the potential to reorient regional institutions and standards over time. To protect its interests in the world's most dynamic region, Ford urges the United States to make necessary investments to modernize alliances and refocus Asian institutions on addressing problems that matter to people of the region.

Patrick W. Quirk, David O. Shullman, and Johanna Kao analyze the role of U.S. democracy promotion as it relates to America's strategic approach to China. They warn that Beijing is weakening democratic governance and providing an authoritarian alternative. The United States must pursue a strategy toward China focused on winning the political systems competition. To protect and promote democratic governance, the United States must: 1) elevate the protection and promotion of democracy as a key consideration in crafting and executing U.S. foreign policy; 2) use foreign assistance and diplomacy to make countries more resilient to CCP coercion; and 3) champion the superiority of liberal democracy to authoritarianism.

David Dollar details China's approach toward international economic institutions. While China has fulfilled its commitments to these institutions, it has done so reluctantly, unwilling to take on greater responsibilities that typically befall developed countries. China insists on being called a developing country, which creates tension in its economic relations with developed countries. Dollar argues China's bilateral economic relations often undermine its global contributions. For example, the terms of

the projects for its Belt and Road Initiative (BRI) are largely commercial, not concessional, and lack transparency. To preserve and adapt the global economic architecture, Dollar recommends China and other developing countries should receive more weight in global economic decisionmaking in return for greater adherence in its initiatives to prevailing global norms and standards, such as on debt sustainability and environmental and labor safeguards.

Eswar Prasad articulates that while China has the second largest economy in the world, its currency, the renminbi, is not commensurate with the country's weight in the world economy. Prasad argues the renminbi will gradually become a more significant currency in international financial markets, yet its full potential will remain unrealized unless the Chinese government undertakes a broad range of economic and financial system reforms. While the International Monetary Fund has designated the renminbi as a reserve currency, its status has been impeded by the Chinese government's unwillingness to liberalize its exchange rate, allowing the currency's external value to be determined by market forces, and to fully open the capital account. Prasad writes the renminbi's growing prominence has come at the expense of other currencies – the euro, the British pound sterling, and the Japanese yen – rather than the U.S. dollar. For the renminbi to become a safe-haven currency requires not just economic and financial reforms, but also significant institutional reforms that the Chinese leadership has thus far proven unwilling to advance.

Joshua P. Meltzer explains that China's dominance in 5G infrastructure will further support China's digital economy, which is second only to that of the United States. The extensive online activity of Chinese netizens provides large amounts of data which can provide an advantage, particularly developing digital technologies such as artificial intelligence. Yet, China is largely closed to foreign competition given restrictions on digital services imports and a heavily regulated internet. China's actions toward foreign competition stand in contrast to their actions to shape the international environment and the development of norms and rules affecting data governance, including through China's Digital Silk Road, which aims to expand internet infrastructure, promote e-commerce, and develop common internet technology standards

amongst participating countries. While the United States has been leading the charge for an open internet, more must be done to counter China's global efforts, lest the internet become bifurcated between the United States and China.

Homi Kharas and Meagan Dooley show how China has impacted the global middle class through its size and numbers, its increasing ability to set new middle-class trends, and its challenge to the values and attributes of what belonging to the middle class really means. China is in large part responsible for the ongoing fastest expansion of the global middle class the world has ever seen, reinforced by growth in India and other countries. Kharas and Dooley explore three challenges and costs for others around the world as China's middle class grows: 1) whether the world can sustain such a large consumer class within planetary boundaries; 2) whether China's middle class pose a competitive threat or is it a positive force promoting global growth; 3) how a growing Chinese middle class will change the country's politics.

Kristen A. Cordell discusses the evolution of international development architectures in the context of the Belt and Road Initiative. She observes that China's willingness to abide by international rules and norms is secondary to its interest in shaping practices in its favor. China is using development projects to extend its global presence and influence. Without China's buy-in to the existing international development architecture, and the good governance norms they promote (transparency, accountability, and participation), these existing institutions lack influence. To comply with international standards and norms, China must commit to data sharing and more transparency in its development transactions. While China continues to be out of step with development norms, Cordell urges policymakers and national governments to make data central to BRI to ensure accountability.

Jack Nolan and Wendy Leutert examine the BRI and explore the differences among its participants. Countries may join the BRI by signing either cooperation agreements or memorandums of understanding, revealing that breadth is as much a priority for China as depth. They find China has prioritized its neighbors in Asia and states that are

relatively more economically developed, politically stable, and democratic. COVID-19 will impact BRI; it remains to be seen whether China will still be willing to finance BRI projects that the pandemic has rendered commercially questionable or even inviable. Nolan and Leutert conclude that Beijing has taken a pragmatic diplomatic approach toward using BRI to cultivate political ties and commercial opportunity, and if China succeeds in reviving its economy, joining the BRI will become more desirable for countries worldwide.

Robert D. Williams examines China's history of engagement with international law and its mixed record in the areas of trade, maritime and territorial disputes, Hong Kong, human rights, climate change, and the emerging spheres of cybersecurity and autonomous weapons. He concludes that China takes a flexible and functional approach to international law, that China is seeking to shape legal norms across many domains of international relations in its favor, and that despite its considerable limitations, international law can influence the context for the choices of Chinese leaders and their perceptions of their interests. Williams urges the United States, in concert with allies and partners, to reengage with international law in a clear-eyed effort to shape rules that are more robust and more effectively enforced, as a tool for advancing U.S. interests and influencing Chinese behavior.

Samantha Gross examines how China has become the center of gravity for global energy markets. As energy demand growth has slowed elsewhere, over the last decade China's energy demand has increased by nearly 50%. Gross explores the electricity and oil and gas industries separately to understand how China carves out a place in energy markets and how it might change its policies as it confronts the challenges of climate change and local pollution. China aims to lead in new energy technologies in electricity and has succeeded in leading the world in its pace of solar and wind capacity buildout. However, China is still reliant on oil and gas imports as domestic production cannot keep up with its voracious demand. As demand for coal-fired plants slows in China, Beijing has financed coal-fired power projects abroad through the BRI to keep excess Chinese industrial capacity working.

Todd Stern underscores the importance of U.S.-China coordination on climate change. He argues there is no way to contain climate change worldwide without full engagement by both countries. As the U.S.-China bilateral relationship declines further, he urges U.S. policymakers to find ways to manage a relationship marked by both competition and collaboration. Without renewed climate cooperation, the United States and the world will face grave national security consequences. Stern underscores that reviving climate cooperation between the two countries will also require an adequate level of commitment from both China and the United States to tackle climate change and decarbonize their economies toward meeting the Paris agreement's best-efforts goal of holding global temperature rise to 1.5°C. Stern offers several recommendations for a new U.S. administration to reboot climate cooperation with China, including by making climate change an organizing principle of national security strategy and by conducting active climate diplomacy aimed at building broad global support.

Jeffrey Ball emphasizes the trajectory of climate change will be influenced by the decisions China makes around its infrastructure investments abroad. The carbon footprint of the foreign energy infrastructure China is financing will have enormous consequences for climate change, and curbing climate change will require the greening of China's foreign-infrastructure financing. Ball examines whether Chinese money is building dirtier infrastructure than non-Chinese money is building — and why. He urges the United States to develop policies that shift financial incentives toward lower-carbon investments and support measures to force greater corporate disclosure of risks to investors from climate change. Decarbonization will largely depend on China's financing of infrastructure in developing nations, and the choices will be made by recipients as well as by China.

Taken as a whole, these papers examine from a variety of viewpoints where China is seeking to shape international institutions, norms, and rules, and how it is working to do so. The analyses highlight the velocity of China's efforts across multiple domains. They also identify concrete policy recommendations that the United States and its allies and partners could take to strengthen the modern international system and bind China to it.

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The authors are leads on Brookings Foreign Policy's "Global China" project.

ACKNOWLEDGEMENTS

We are grateful to the Brookings Foreign Policy scholars and research assistants who contributed policy briefs to this series, and to the external scholars who provided anonymous peer review. A special note of thanks goes to the Brookings Foreign Policy program communications team — Anna Newby, Ted Reinert, Rachel Slattery, and Suzanne Schaefer.

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