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China and Global Leadership

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ABSTRACT. *In this article, the authors evaluate the prospects for China to become the world's leader. The suggested concept of leadership, which includes such basic factors as strategic power, attractiveness of political institutions, ability to generate ideas and find allies, is aimed at analyzing the complex leadership potential of the country. The authors believe that the so-called "Trump factor", which explicitly refers to the USA's withdrawal from TPP and the Paris Agreement on climate change, will result in a rising demand for Chinese leadership. However, should this be the case, there are certain questions that need to be answered: is China ready for such a leadership? Is it capable of taking on such a great responsibility among the international community? Does it have sufficient potential? The authors ultimately conclude that, for the upcoming 20-30 years, China will not become the global*

leader due to internal and external political issues.

KEYWORDS: *leadership, China, foreign policy, "Belt and Road Initiative", globalization*

Before beginning to consider China as a potential global leader, it is worth noting the theoretical understanding behind the very concept of leadership, which contains several main features. From our point of view, the Chinese view of this problem is of particular interest.

First, strategic power is important – what is sometimes called “total social power” in China. This component implies the ability of the state to influence all spheres of international political and economic life, including the military, political, economic and humanitarian fields (Jin Canrong,

2014, p. 224). Secondly, the level of attractiveness of political and economic institutions, as well as the ideological constructions of this or that state, plays a significant role. Thirdly, the country's ability to put forward ideas acceptable to the rest of the world is of no small importance. And finally, the fourth factor is the presence of the state's allies in the implementation and promotion of its leadership policies.

In addition, when examining the concept of leadership, it is important to take into account which goals a state pursues while conducting its policy: domination or responsibility. If a state pursues the idea of domination over other participants in the field of international relations, it should be aware that such a policy repels and leads to resistance. The idea of responsibility, in turn, is attractive, but is fraught with risks of inhibiting the realization of one's own interests and corresponding national losses.

In 2017, the topic of Chinese leadership has become even more urgent due to a statement by President Xi Jinping at the World Economic Forum in Davos in January 2017. He declared China's readiness to "play the role of the leader of globalization and the fight against protectionism." This topic was widely discussed in the Chinese media and at the parliamentary session of the NPC in March 2017. All this indicates that China's leadership ambitions are beginning to grow (Jin Kai, 2017, p 192). The main reasons for this interest from Chinese leadership can be reduced to internal political, foreign policy and economic factors.

Domestic political reasons are associated with the approaching 19th CPC Congress, at which Xi will most likely attempt to consolidate his power and become, in effect, the "core of the party." In addition, against the background of a large-scale fight against corruption, those who are dissatisfied and injured by the anti-corruption campaign claim that Xi Jinping's ac-

tions have led to a downturn in the economy and the loss of China's external position. Therefore, it is extremely important for him to show his strength. Hence, Xi Jinping seeks to use an external factor—the factor of Chinese leadership, including acting as a leader in relations with other countries rather than just a manipulated player—to strengthen his position on the eve of the Congress (Mikheev, Lukonin, Ignatiev, 2017, p. 23–32).

The **foreign policy** motives for the revitalization of Chinese politics are seen in the so-called "Trump factor". The US withdrawal from the Trans-Pacific Partnership and the Paris Climate Agreement has led to a new international demand for Chinese leadership, in both the Asia-Pacific Region and the world as a whole.

The **economic reasons** are caused by a slowdown in the Chinese economy, including a decrease in demand for Chinese products on the world market within the context of the "new normal" (Ma Jiantang, 2017, p 73–78). Considering that the Chinese government's maneuvers to expand the domestic demand does not prevent a general slowdown in the growth of China's economy, Beijing is making a transition from exporting goods to exporting capital. In fact, China continues to be distrusted and there are fears of its economic expansion (Abrami, Kirby, McFarlan, 2014, p8 288). In this regard, Beijing seeks to make more simple and more pleasant the exit of Chinese capital and goods to the world's leading markets, including Africa, Latin America, and so on.

The mechanisms for the implementation of Chinese leadership are global and regional in nature, and in terms of content, they are ideological, political, economic and military. First of all, one must pay attention to global ideological and political mechanisms (Delisle, Goldstein, 2017, p 365). Here we do not see any breakthroughs or even hints from China on anything acceptable or understandable.

Beijing cannot offer the world a concrete, attractive idea, confining itself to general statements about building a “world with a common destiny.” A serious limitation of this mechanism is the inability to throw something truly significant in a doctrinal sense for the world community.

The strategic problem of China is that it can exercise its leadership only in interactions, albeit competitive, and not acts of opposition with existing global leaders and their allies. And in order to succeed, China will have to offer new ideas that are acceptable to the rest of the world.

The main global economic tool for promoting China’s interests is the concept of “Belt and Road Initiative” (which includes the Silk Road Economic Belt and the 21st Century Maritime Silk Road), the main goal of which is to create a platform for Chinese capital and Chinese goods to be exported through infrastructure investments abroad, and also to create opportunities to utilize Chinese production capacities abroad when domestic demand does not meet the full demand for the products produced (Griffiths, 2017, p 260).

The Belt and Road Initiative conclusively consolidates the political and military-political components. Beijing intends to hold a global forum (the first forum was held in May 2017) on this topic once every two years, thereby creating a regular platform for political communication with Beijing’s loyal world leaders and the Belt and Road participants. The advantage of this format in comparison with others (SCO, BRICS, APEC, ASEAN, etc.) is that Beijing views it as a forum where China is in charge determining the agenda of the highest-level meetings.

At the same time, not all countries welcome new directions for the development of this initiative. At the Forum in May 2017, the leading EU countries (Germany, France and the United Kingdom) refused to sign the final resolution proposed by Beijing accusing the Chinese side of “il-

legal actions” in relation to Eastern Europe. According to Europeans, China’s investment activity in Eastern Europe “does not take into account the interests of the leading EU countries.” These kind of political demarchés will negatively affect the general political atmosphere surrounding the implementation of the Belt and Road Initiative.

China, having invented and offered its initiatives to the world, the Silk Road Economic Belt and the 21st Century Maritime Silk Road, expects countries to accept its investments in the development of their infrastructure and that Chinese capital will become more attractive and gain access to economic sites. It is not by chance that, in a strategic sense, these concepts are not limited to railway tracks and highways, but imply the creation of clusters of economic development (Wang Yiwei, 2016, p 214).

Since 2013, China has been constantly expanding the geography of its “Belt and Road Initiative”, all the way to New Zealand, Africa and Australia. Africa occupies a special place in the Chinese Belt and Road Initiative: first, as a regional recipient of Chinese infrastructure projects, and second, as the home territory of Chinese naval units sent to protect the routes created as part of the 21st Century Maritime Silk Road (Li Xing, Farah, 2013, p 222).

However, concrete economic projects to promote the Chinese initiative, such as the Asian Infrastructure Investment Bank, the Silk Road Foundation and the BRICS Development Bank, number only a few. In addition, it is necessary to take into account the fact that the outflow of capital from China leads to a reduction in investment in Silk Road projects. Currently the “Belt and Road Initiative” involves more than 100 countries, and 40 of those have signed cooperation agreements. Among its notable achievements is that, by the end of 2016, the volume of investments in these countries exceeded 18.5 billion US dollars,

and 180 thousand jobs were created¹. At the same time, between January-February 2017, the volume of Chinese direct investments in the non-financial sector of foreign countries decreased by 52.8% compared to the same period last year².

However, currently there is a negative trend in which Chinese companies are investing in non-core areas, for example, the purchase of foreign football clubs. In addition, “many Chinese companies under the guise of investing abroad, in violation of the law, withdraw funds to foreign accounts and buy foreign currency”³.

In general, the Chinese “Belt and Road Initiative” lacks institutionalization. In pursuit of confirming its leadership in globalization, China itself is eroding the agenda. Gradually, the project transforms into a “Chinese dream”. Most of the partners still do not understand what the “Belt and Road Initiative” is. This raises excessive expectations, which can quickly be replaced by disappointment. For example, representatives of Latin American countries characterize the “Belt and Road” initiative as a universal cure for all “economic diseases”.

Currently, there are two clearly marked camps: on the one hand, underdeveloped small countries (for example, in Eastern Europe), which perceive the Chinese project as a source of unimpeded additional investments, on the other – industrialized countries, which generally support the project, but with reservations. The absence of ideology, in turn, leaves the following question unresolved: how can China’s pursuit to support globalization be aligned with the presence of internal restrictions within the country, such as the Internet, money circulation and protectionism?

In connection with the US withdrawal from the TPP, China’s first attempt to become a leader in globalization was the idea to create a free trade zone (FTA) in the APR. However, without the participation of the United States in this project, it is unlikely to be realized, due to, again, a lack of specific proposals. Another option is to create a Regional Comprehensive Economic Partnership (RCEP) based on ASEAN. Here, compared with the Trans-Pacific Partnership, a simpler integration scheme has been established, which is more oriented towards customs tariffs, rather than standards, investments or protection of intellectual property, as is the case with the TPP. However, the countries participating in the RCEP still have concerns about Chinese expansion (Basu Das, 2014, p. 57). A third option still remains – a return to negotiations on a free trade zone between China, Japan and South Korea. But, in this case, the realization of this idea is hampered by the Chinese-Japanese and Japanese-South Korean political contradictions (Dittmer, Ngeow Chow Bing, 2017, p 300).

China expresses a cautious interest in the TPP, but so far it is only looking at the possibility of assuming the role of the leader. Acting as a regional power, China is most interested in resolving conflicts involving North Korea and the South China Sea. Beijing, however, is not ready to take on specific commitments, although China and the ASEAN nations have formally agreed on the main provisions of the Declaration on the Conduct of Parties in the South China Sea.

Overall, ASEAN countries react ambiguously to Chinese actions in the South

1 В Китае создан Союз зон международного сотрудничества в области производственных мощностей в рамках «Пояса и пути». [The Union of Zones of International Cooperation in the Field of Production Facilities under the Belt and Road Initiative was created in China]. URL: http://russian.news.cn/2017-03/26/c_136158929.htm (Дата обращения: 26.06.2017)

2 Экономическое обозрение: Китай в этом году может выйти из числа чистых экспортеров капитала. [Economic Review: China May Cease to Be a Net Capital Exporter]. URL: http://russian.news.cn/2017-03/27/c_136162086.htm (Дата обращения: 26.06.2017)

3 Ibid

China Sea. The positions of the Philippines and Vietnam illustrate this trend. The Philippines seems to have a triple policy towards China. At the level of President Duterte, China is considered to be a friend, while those at the level of the army elite still hold a different point of view. The Foreign Ministry and the government bureaucracy must maneuver between these two approaches. Vietnam, in turn, is interested in trade and financial assistance from China, but is afraid of falling into economic dependence on Beijing. The situation in North Korea is characterized by the lack of promising ideas for the solution of the Pyongyang nuclear missile program, as well as China's desire to shift the blame and responsibility onto the United States.

There is also noticeable activation in the military sphere of China, seen in the testing of a ballistic missile with ten divided warheads (considered by Beijing as a serious step towards strengthening strategic forces), the modernization of the navy and an increase in the number of marines infantry (Geostrategy-Direct, 2017, p. 16). Plans are being made to establish a naval base in Djibouti, Gwadar, Brunei, Oman, Sri Lanka, and the Maldives, which increase suspicions of China in the ASEAN countries, India and Japan. At the same time, China argues that the strengthening of its nuclear power and naval forces does not pose a threat to anyone: this is all occurring against the background of a general reduction of armed forces by 300 thousand people, and the growth of military spending remains below the 10 percent mark (7%).

Despite disagreements between China and the United States, Washington continues to be China's main partner in realiz-

ing China's global leadership (Bo Zhiyue, 2017, p. 304). In bilateral relations, certain issues remain acute: Washington's grievances about Beijing's "exchange rate manipulation", "restrictive market", the desire for military dominance in the South China Sea, secrecy of the data on nuclear potential, lack of cooperation in North Korea, and Beijing's grievances about Washington's missile defense in South Korea and US military activity in the South China Sea. Another important problem that remains is under whose leadership will the architecture of trade and economic relations in the APR be formed.

Considering the US-China relations in the context of global leadership, it is important to note that in the American expert community, there is an opinion that China has a different idea of sovereignty from the US, namely, skepticism towards world political and economic institutions, norms and principles of international relations created without its participation (Alekseenkova, 2015).

The China-US Summit held in April 2017 did not lead to a breakthrough in bilateral relations. It can be considered successful in terms of creating new channels for communication between the Chinese and American leadership. However, the question of the content and tonality of these channels remains open. Both rapprochement and confrontation between China and the United States still remain almost equally probable variants.

However, the very fact that a new atmosphere and a new infrastructure for China-US relations have been created suggest that this "almost" leans in favor of cooperation, albeit still competitive, rather than confrontation⁵.

4 Михеев В.В., Луконин С.А. Китай: «глобальное лидерство» как ресурс борьбы за власть. [Mikheev V.V., Lukonin S.A. China: "Global Leadership" as a Resource of the Struggle for Power]. URL: https://www.imemo.ru/index.php?page_id=502&id=3006 (Дата обращения: 29.08.2017)

5 Михеев В.В., Ломанов А.В., Луконин С.А. Саммит Китай-США. [Mikheev V.V., Lomanov A.V., Lukonin S.A. China-USA Summit]. URL: http://www.imemo.ru/index.php?page_id=502&id=3074 (Дата обращения: 03.07.2017)

Probably, in the medium-term, China will not replace the United States as a global leader, but it will strengthen its position as a new center of the economic world and occupy a place as one of the military-political centers. The economy will continue to play a leading role in China's foreign policy. Beijing is unlikely to formulate a new idea of global development, but the need to develop the "Belt and Road" initiative will encourage it to build good relations with its neighbors and those countries participating in the project. Relations with Japan, South Korea and some ASEAN countries will be aligned, as China will be interested in demonstrating goodwill to ensure the successful implementation of the project. At the same time, Japanese and South Korean companies will most likely take part in the implementation of the "Belt and Road" initiative.

In general, the space occupied by the BRI will not strive for rigid supranational regulation, while at the same time, its implementation will contribute to the interpenetration of national economies. The structure of the "Belt and Road" initiative will remain flexible, based on the principles of project financing and subsequent convergence of individual countries' regulations. The project's realization through an effective negotiation process among the participating countries, will serve as a driver not only of the Chinese economy, but also of the economies of those countries participating in the project.

In the medium term, the "Belt and Road" initiative can be implemented with limitations. When the project is implemented, a network of bilateral agreements and free trade zones will arise, however, a full-fledged association for integration will not be created. China will not form alliances with other countries, but instead, will try to win sympathy and support with financial injections and a gradually more active role in solving regional or global problems.

China assigns a dual role to Russia in its new strategy for global leadership. On the one hand, Chinese leaders at the highest level continue to refer to today's relations with Russia as the best in history. But, at the same time, China does not involve Russia in the discussion and coordination of the steps it takes to ensure its global leadership, whether it is military activity in Africa or a normalization of relations with the United States. Both can occur without taking Russian interests into account.

In fact, within their bilateral relations, there are no mechanisms for discussing what risks and challenges Russia faces as a result of certain steps taken by Beijing to increase its global leadership. Problem points are obvious. The growing likelihood of falling into economic dependence on China (fulfillment of conditions, adherence to Chinese standards, the use of Chinese technologies and materials, etc.), as well as the lack of alternative political support for China in the APR against the US, can create additional, unnecessary difficulties in relations between Moscow and Washington, against a background of attempts to normalize them. China's position on Syria has shown that Beijing is building relations with Washington according to its own logic and is not yet ready to actively intervene in the Syrian conflict.

Russia's trade with the United States is an order of magnitude less than the level of China-US economic cooperation. Moscow's interests in the South China Sea region are insignificant. In Taiwan, it takes the pro-Chinese position. The North Korean problem remains the only area for Russia's potential engagement in cooperation between China and the United States. The fundamental positions on the inadmissibility of Pyongyang to possess nuclear weapons completely coincide, but ideas about how to prevent this differ. At the same time, in a strategic context, the recent trend looks alarming: the growing

alienation of Russia by the American establishment. For many America's representatives, Moscow is already a more inconvenient player than Beijing. The implications of this reality require special thought.

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