

The Rise of Multipolarity, the Reshaping of Order: China in a Brave New World?+

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Abstract

This paper explores China's search for its place in the world, in the midst of global power transitions from the West to the East, from traditional powers to rising powers, and from the U.S. to China. In these relative power shifts, what are China's challenges? What is its purpose? What is its vision? And what is its fate? The paper argues that, in an increasingly multipolar world where China begins to assert itself and to challenge the existing order, other countries have to cope with a rising China, just as China needs to live with a hegemonic U.S.

Keywords: *China, U.S., world order, multipolarity*

JEL classification: *F51, F52, F59, N45*

Nations must play by the same rules.¹

Tom Donilon
U.S. National Security Adviser
November 2011

First we have to know whose rules we are talking about.²

Pang Sen
Deputy Director-General
Ministry of Foreign Affairs, China
November 2011

1. Introduction

The present economic world has become more state-controlled and less neoliberal than before, a world brought about in the main by the financial crisis now engulfing Europe. Leading countries in the European Union such as France and Germany realize that the free-market system practised by

neoliberal authorities cannot save Europe from economic bankruptcy, only some sort of greater fiscal control can do so. Greater fiscal control means eurozone countries will have to satisfy stringent conditions set by Brussels on spending cuts and on the amount of borrowing, which means these countries will lose some of their sovereign power for the sake of the greater common good of Europe.

It is this kind of brave new world that we are going to examine China's role therein.³ The study of the relations between China and the world is both new and old. It is old because China has a long history of coming into contact with the world. The history dates back to the country's early trade with the outside. The Silk Road comes immediately to mind, in addition to the tributary system in which goods and gifts were exchanged between China and its neighbouring countries. The Silk Road includes both land and sea routes. The early Silk-Road trade through Central Asia goes back to China's Han dynasty around 200 BCE.⁴ And the early Silk Road by sea goes back to the time of the famous sea voyages conducted by Admiral Zheng He 郑和 and his fleet in Ming 明 China in the early 1400s. These early trading contacts are the reasons why I say the study of the relationship between China and the world is old.

I also say that it is new, because we normally date our study of modern China from the 1840s onwards, as a result of the invasions by the industrial West led by Great Britain and others. They came to knock on China's door on board warships carrying not only military personnel, but also merchants and missionaries. Newer still, we study contemporary China from 1949 onwards, since the People's Republic of China came to power. The People's Republic started off in the first thirty years of its existence largely in isolation. Since 1979, however, China has begun to open itself progressively to the outside world under a reform policy up to this day. The study of China and the world is new in the sense that never in its 4000 years of history has China been so active in participating in global activities, in politics, trade, and various forms of social contacts. And these activities are increasingly taking place in both directions between China and the world.

Here, I will concentrate on the latest developments in China and the world, as I am principally interested in contemporary Chinese international relations and foreign policy. My starting point is the economic crisis of 2008-09, when the American investment banker Lehman Brothers collapsed. This incidence, together with the dramatic fall of the housing property market in America, encapsulated the global financial impact that is still being felt around the world today, in particular in Europe, where Greece and Italy changed their governments and rearranged their finance, making deep cuts in public spending in order to secure financial bailouts from Europe's central banks. Not too long before that, Iceland and Ireland suffered a similar kind of

financial difficulty. After Greece and Italy, countries like Spain and Portugal, and perhaps France and the United Kingdom are likely to be affected, in one way or another, and in varying degrees. The most recent country in dire strait is Cyprus. Only Germany is in a surplus situation. Both Germany and China are growing economies led by export trade. Both are, however, not immune to the contagious effects of the economic downturn. The United States fares no better than Europe, but unlike Europe, it can afford to continue to print money (called euphemistically quantitative easing) while surplus countries are somehow left with little alternatives but to use their American dollar holdings to buy U.S. treasury bonds.

2. The Rise of Multipolarity?

The decline of the U.S. as the sole superpower relative to the rest of the world predates the current economic crisis. Observers have pointed out that the American decline actually started when the U.S. invaded Iraq and Afghanistan (or even earlier in the 1970s),⁵ overstretching its capability to cope with expensive military adventures overseas, as has been fore-warned by Yale historian Paul Kennedy in his book on the rise and fall of great powers published in 1987. The U.S. completed its troop withdrawal from Iraq in December 2011, ahead of the U.S. presidential election in November 2012. Since its invasion of Iraq in 2003 until its pull out, it has been estimated that the U.S. has spent a total of \$700 billion (low estimate) with a death toll of 4,500 (compared with 100,000 Iraqis).⁶

The collapse of the Soviet Union and its communist allies in Eastern Europe around 1990 spelled the end of bipolarity, a global structure characterized by the competition between the two nuclear superpowers – the United States and the Union of Soviet Socialist Republics – during the Cold War era. Since the end of the Cold War, the global structure has changed to a system consisting of a unipolar in multipolarity,⁷ the single pole of superpower being the U.S. and the multipolarity consisting of Russia, the EU, China, and Japan.⁸ With the U.S. in relative decline since the turn of the millennium, the world is now changing towards a greater consolidation of a multipolar system, with the power of the unipole being dissipated gradually over time amidst the rise of emerging powers.

The Rise of Emerging Powers

The emerging powers, sometimes known as the BRICS, consist of Brazil, Russia, India, China, and South Africa. Other countries such as Indonesia and Turkey, and those belonging to the ASEAN (Association of Southeast Asian Nations) group,⁹ are either trading nations on the rise or countries endowed

with abundant natural resources or both. Of these, China has become the most prominent one because of its spectacular economic growth. It is now the second largest economy and the second largest trading nation on earth,¹⁰ with the largest amount of foreign exchange reserves (some US\$3.24 trillion as of June 2012,¹¹ about 30 per cent of global foreign reserves). It has accounted for more than 40 per cent of global economic growth since 2008, according to Bloomberg data.¹² Various forecasts have put China surpassing the U.S. as the largest economy by around 2020. All these economic indicators add weight to China's overall power base made up of various dimensions including its demographic size and its veto power in the UN Security Council. One can of course query the accuracy and reliability of these economic data and forecasts, but no one seems to doubt that China is catching up with the U.S. and surpassing the latter in increasing numbers of power measurements, including car sales and mobile phone sales, and in the use of steel and concrete. If perception "makes" reality, then China is being seen and its influence being felt almost everywhere.

Given China's growing strength, can it shield itself from the negative impact of the so-called great financial crisis happening at the moment? Up till now it seems to be able to do so, but in this increasingly interdependent world, no country is an island, and sooner or later China will be visibly affected. A Bloomberg News poll of investors conducted in September 2011 found that most investors expect the 10 per cent growth rate that China has enjoyed for the past three decades will fall to just 5 per cent by 2016.¹³ This may not be all doom and gloom, as a growth rate of this magnitude may signal a moderate and more sustainable growth, by international standards. China's exports in 2012 are expected to be significantly affected as a result of the economic slump in Europe and in the U.S.

The emerging powers have demonstrated their influence in recent times in at least two major global issues: one is the restructuring of the International Monetary Fund and the World Bank in which these countries call and strive for a greater representation in terms of quota allotments and voting rights. Another issue is the issue of climate change, in which these countries demonstrated their bargaining strength in the summit talks first in Copenhagen in 2009 and then in Cancun in 2010, in Durban in 2011, and in Rio in 2012. Also, these powers are beginning to give foreign aid. China published its first white paper on foreign aid in April 2011. India recently announced that the Indian Agency for Partnership in Development would oversee an aid budget of over US\$11 billion over the next five to seven years.¹⁴ All the aid policies of these emerging economies share a similar aim of enhancing South-South cooperation. For example, Chinese aid aims to establish mutual help between developing countries; Brazil's aid programme is framed by appeals to solidarity and cooperation among Latin-American countries and Portuguese-

speaking countries in Africa; Russia, known as a ‘re-emerging’ donor, says it is being a good neighbour by supporting low-income countries.¹⁵

3. The Changing World Order

The multipolar moment in international politics has come since the end of the Cold War; it has started as a result of the relative decline of the U.S. and the concomitant rise of emerging powers. One major consequence is that global governance has become on the whole more diverse, more democratic, more complex, and more competitive.

Despite its relative decline, the U.S. continues to shape in a significant way the development of multipolarity. It tries hard to arrest its fall and to maintain its superior position, viewing the rise of China as a challenge. From China’s perspective, the U.S. succumbs to taking actions to retard and disrupt the rise of China, consciously or subconsciously. The U.S. also maintains that China needs to be engaged, to be brought into the rules that govern international relations. President Barack Obama has said this, so has his former Secretary of State Hillary Clinton as well as their key advisers.

Obama’s speech made before the full house of the Australian Parliament in November 2011 sends a clear message in this regard. In stressing the return of the U.S. to Asia (apparently after the Vietnam War and its military campaigns in Afghanistan and Iraq), Obama openly said that the communist rule in China would fail. Coupled with the signing of a military agreement with Canberra to set up a military base in Darwin, the capital city of the Northern Territories of Australia, it seems that the U.S. is playing hard balls, trying to line up Australia and other allies in Asia, like Japan and South Korea as established ones and India and Indonesia as new ones, to “contain” China.¹⁶ The Australian government, in statements expressed by its Prime Minister Julia Gillard and its then Foreign Minister Kevin Rudd, tosses the American line.

There are dissenting voices within Australia. Former Prime Minister Paul Keating, for one, sees things quite differently. While he welcomes the U.S. presence in the Asia-Pacific region and the rotational deployment of a small group of American marines in Darwin,¹⁷ he obviously has doubts about the use of the Australian Parliament as a platform to voice a containment policy of China. He says that China is not the old Soviet Union and the return to a bipolar rivalry is non-conducive to peace. The world, as he sees it, is moving towards a concert of power, like a balance of power in a multipolar system. According to Keating, in a TV interview in Australia,¹⁸ China has suffered two hundred years of retarded development and is now rising to get richer. The country should be welcomed by the rest of the international community, and a rising power demanding a greater say is a natural thing, and should be

accommodated unless it wants to dominate others. He says that he sees as yet no evidence of China dominating others, apart from some minor skirmishes with its neighbours over some small island groups in the South China Sea.

Keating's analysis seems to make good sense. However, the Australian government obviously has other ideas. Although China is the number one importer of Australian goods, it belongs to a different system, the Other, and therefore a potential enemy.¹⁹ Australia, perhaps like many other states in the Asia-Pacific region, the Philippines being a good example, tries to play a balance of power, allying politically and militarily with the U.S. while developing trade and investments with China.

Hugh White, a professor of strategic studies in Australia, refers to this American containment policy as the Obama doctrine,²⁰ a reference to the Truman doctrine of communist containment. He is adamant that this kind of policy carries a lot of risks for the U.S. as well as for China. He points out that the doctrine is a serious mistake, as 'it commits America to a strategic confrontation [with China] which will cost it dearly, which it might not win and which it could quite possibly avoid without sacrificing its vital interests in Asia.'²¹ He suggests that America should take a step back from the doctrine.

American is still the superpower, the champion of liberal-democratic values that underpin the dominant reign by the West. The American government is based on and survived by the ability to win the votes of its people. And the people are resentful of the Chinese for apparently taking away their jobs. Rejected by the 99 per cent that occupy Wall Street and other cities, the 1 per cent of the U.S.A. has to be seen to be doing something to ameliorate the anger of the 99 per cent, and China may come in handy as the scapegoat to take the blame for America's economic ills, especially around the time of the presidential election in late 2012. A containment of sort,²² fuelled probably by ignorance or political convenience or both, a "Cold War" enemy is called for. Finger-pointing at Al Qaida or the Taleban has somehow lost its shine as the invasion of Afghanistan and Iraq has turned out to be looking increasingly like a Vietnamese style debacle.

The burgeoning containment policy is still in its infancy, more rhetoric than substance, as the policy has not been really institutionalized in any significant way. The stationing of a small force in Australia is more symbolic than anything else. It is, however, an extension of the concept and practice of burden-sharing of American military outreach from Europe, to Japan, and now to Australia. The establishment of the Trans-Pacific Partnership (TPP) with minor economies (apart from the U.S. and Japan) without China is small in trading terms, and its work is likely to overlap with those of other regional free trade initiatives, multilateral or bilateral, as well as with the work of the World Trade Organization, while unnecessarily antagonizing the world's second largest economy. China being the largest trading partner

to all of the members of the TPP, it will be difficult for them to take actions to harm their trading relationships with China. All countries welcome the presence of the U.S. as a balancer to China, but they are pragmatic enough to see the need to avoid a possible Sino-U.S. military showdown that would damage their interests.²³

4. China's Search for Its Place in the World

Underpinning the current multipolar system is a balance of economics, overshadowing a balance of strategic-political power (in the traditional, classical realist sense based on military deterrence) and a balance of ideology (between liberal-democracy and communism). This balance of economics refers to the increasingly fierce competitions over trade, finance, and the system that governs the play in such competitions. Prominent in such governance are the rules of engagement which have been developed over a long period of time in modern Europe, but have become widespread around the world since the end of the Second World War. So what matters is whose rules are regulating these games.

The system of modern rule making, rule application, and rule adjudication is very much a Western invention based on the Westphalian system since 1648. These rules form the basis of governing inter-state relations and international organizations in Europe. The practice spread to the rest of the world over the course of some 360 years, buttressed by Western monitoring and sanctioning, especially since the founding of the United Nations and the gaining of independence by states in the developing world. Europe grew strong over these centuries through industrialization and colonization, becoming the dominating force in the current system of international relations we see today. Although imperial Qing 清 and the early Republic of China (before retreating to Taiwan) had had some diplomatic experiences mostly as an exploited or subservient junior member of the international community, it was the People's Republic that has started to reach out to the outside world since its opening in 1978. As a major power today, China is still a latecomer to the world of diplomacy in general and to the world of international organizations, and thus multilateralism, in particular. China is still learning the rules of the game of international engagement. Most of these rules are designed and enforced by the West, in particular by the U.S. and some major European countries like the U.K., France, and Germany. The most obvious examples in the area of finance and trade are those rules that govern the working of the World Bank, the IMF and the WTO, which are products of the Bretton-Woods system, whose original purpose was to cater for the material interests of the U.S., the U.K. and a number of western European countries – the major victors of the Second World War.

As a latecomer and as a relatively weak power (apart from gross economic and military powers, even these are weak in per capita terms by international standards), China is lying low and learning to play the game that Western states have been playing for a much longer period of time, always cautious of protecting its interests in so doing. It knows full well that the existing rules are not always kind to it, as they protect in the main the interests of the rich and the powerful in the West, to the neglect and even the detriment of the developing world.

To tell China to play the universal rules of the game in international relations by U.S. top government officials from the President down is an indication of the importance of the role of rules played by the big powers in their competition over politico-economic influence and interests in the world. In a nine-day tour of the Asia-Pacific region in November 2011, which took President Barack Obama to Honolulu, Canberra, and Bali, he stressed the pivot or return of the U.S. to Asia. He warned that China must play by the rules of the international community in economic affairs, a reference to China's slow political and financial reforms, the low value of the Chinese yuan against the U.S. dollar, and the Chinese violation of intellectual property rights.²⁴ Obviously Obama was trying to promote American interests and values in the wake of the global economic slowdown and of the U.S. withdrawal from Iraq and Afghanistan. The Chinese were quick to respond. "If the rules are decided by one or several countries, China does not have the obligation to observe them," said Pang Sen 庞森, a deputy director-general of China's Foreign Ministry, at the Asia-Pacific Economic Cooperation summit in Honolulu.²⁵ He stressed that China would play by the rules of international agreements that it had been party to the negotiation.²⁶

The divergent views of the U.S. and China over the latter's rule observance bring to the fore two important aspects of contemporary international relations: one is the increasing role played by rules as a means to judge the behaviour of states in global affairs; the other is whether or not China is an outlier in rule observance and norm compliance. These two aspects figure not only prominently in the relations between the declining power and rising power, they also affect other global relations. The growing importance of rules in international affairs is a welcome development, as countries can debate and argue about standards of behaviour through legal means rather than the use of military force to settle disputes. This development ties in well with the diminishing utility of using military threat and deterrence as a way to settle international disputes and the increasing reliance on multilateral coordination as a way to resolve problems peacefully.

The second aspect, whether or not China is an outlier, deserves closer scrutiny, as the answer to this question will have a significant impact on the future shape of the world and on issues of war and peace. The question can

be usefully seen against the context of the development of the system of rules in world affairs, as I have discussed in brief earlier, which is very much tied in with the development of the European state system and the system of international organizations based on rules first played among states within the European theatre and then later on spread to the rest of the world. The relations between states and international organizations must also be taken into account, as strong states in Europe in the past had applied a “double standard” in rule application: those within the strong civilization influence of the West were governed by one set of standards: equality among them and no interference in each other’s internal affairs; but those outside such sphere of influence in the developing world had been treated by the West using a different standard, such as extraterritorial rule. Remnants of this kind of behaviour still linger on, although to a lesser degree and in a less apparent way, because of increasing political awareness and because of the rise of powers in the developing world. These rising powers cry foul and take actions to correct the discrepancies in the different standards of civilization applied by European countries to non-European countries. Of course the picture is more subtle and complex than this and there are different shades of standards even within the West and within the non-West, apart from between the West and the rest.

China is taking steps to counter this perceived American containment policy. One major counter action is to improve its somehow tarnished relationships with its neighbours mainly as a result of territorial disputes. In July 2011 China set out guidelines for implementing a “declaration on conduct” with Southeast Asian nations over the resolution of disputes in the South China Sea. In early November 2011 China announced it would join its south-western neighbours in combating piracy on the lower Mekong River.²⁷ At the East Asia Summit held in Bali, Indonesia, in late November 2011, China proposed a three billion yuan maritime cooperation fund with ASEAN countries to counter moves by the U.S. and the Philippines to resolve disputed territories.²⁸

The rise of multipolarity is not confined to the end of the Cold War and the rivalry between the superpowers, the U.S. and the former Soviet Union; nor is it limited to the relative decline of the U.S. and the relative rise of China and of other emerging powers like India and Brazil. It means more than that. The current financial crisis in Europe, and the inability of the major powers of the eurozone and the U.S. to overcome the crisis in the foreseeable future means that global economic power is being shifted to Asia and other emerging economies around the world, much quicker than we originally thought at the turn of the millennium. No one is immune to the effects of the eurozone crisis, but it would seem that Asia and the emerging economies are likely to weather better than others because of the greater ability of their macroeconomic

systems to cope, being based on export drives, private savings, and the accumulation of foreign currency reserves. The crisis also has the effect of pushing and shifting the pattern of trade and investments from the North-South axis to the South-South axis. In addition, new emerging economies like Indonesia, Mexico, and Turkey may be enticed to join the BRICS to form an economic coalition of convenience, raising the power profile of these countries in the world politico-economy. This power shift will lead to these countries to speak out louder in shaping the rules that govern global affairs. By default or design, China will be pushed to take on a greater leadership role to bring about a brave new world. Can China rise to the occasion?

In this Brave New World...

What is China's Challenge? China, together with the Asian rich and the emerging economies, can help to address the imbalance in global development and the uneven distribution of global wealth. How will China and these countries face the challenge? The promotion of South-South cooperation has begun, and its role in international aid has been recognized by participants to the 4th High Level Forum on Aid Effectiveness held in Busan, South Korea, in November/December 2011. By providing finances, actual or pledged, to the IMF through quota subscriptions or purchases of IMF bonds as well as to burgeoning regional initiatives such as the Chiang Mai Initiative Multilateralisation,²⁹ China is seen to be providing some international and regional public goods. Whether these provisions are enough or not and to what extent will they help to stabilize the global finance and economy are subject to debates and further scrutiny. In any case, China is poised to emerge as a relatively stronger player as a result of the current economic crisis and its leadership in the global political economy will be in greater demand, as evidenced by the increasing number of Chinese nationals taking up leadership roles in international organizations.³⁰

In its increasing engagement with the world, China learns from the outside, through adopting some norms, complying with them, and internalizing them. On the other hand, China rejects other norms and tries to change them or propose new ones to compete with or to replace them. China is most of the times a rule taker, but sometimes a rule breaker, and incrementally a rule maker. The outside world also learns from China about its way of doing things. A process of mutual socialization and legitimization is taking place, although the effects of interdependence may be uneven, depending on the issues involved and the power relationships.

What is China's Purpose? When Mao Zedong declared in 1949 that China had stood up, he probably had in mind that the country had broken off the

shackles of a century of humiliation under Western imperialists. China's purpose since then has been to build a country strong in military power and rich in material wealth so that China can protect itself and prevent others from bullying it again, a country that will feel proud of its present and its glorious past and a country that will command the respects of others. The path to building such a nation is full of obstacles, both internally and externally, as China has found out through experiences in recent years and decades. The arduous task of state-building is still going on.³¹

When China becomes strong and wealthy, will it become a "hegemon"? Although Chinese leaders like Deng Xiaoping and his successors have emphatically stressed that China will not, outsiders are not so sure, as history has shown that great powers in the past have gone on to become one, witness the imperialist and colonizing experiences of Spain, Portugal, the Netherlands, France, Germany, Great Britain, Japan, the Soviet Union, and the United States of America. Those who see things differently will point out that China is different from these countries, which all belong to the "West". China is a peaceful country on the rise. Its relations with the outside world in the past were to defend itself against "barbarians" rather than to invade them. Even if invasions did take place, they were short-lived and China would withdraw very quickly back to the confines of its own territories. Chinese mentality is in the main inward-looking rather than outward-looking. So far, it has not maintained any military base overseas, and its conflicts with its neighbours are mostly small in scale, intermittent in occurrence, and limited to territorial disputes over tiny islands and islets. Its relations with Taiwan are internal matters and they have turned calm and stable these days. In a way, China is unique, *sui generis*.

What is China's Vision? Apart from building a country that is strong and rich, Chinese leaders do not seem to have spelt out a clear vision for the country's future. Unlike other superpowers, China does not have a desire to spread its ideology as a universal value, to colonize others, or to convert them to its beliefs. China lies low, cultivates its economic field like a diligent farmer working away in the field in a traditional agrarian society. It minds its own business, not others, and it does not like others to interfere in its domestic affairs.

Although increasing number of countries are urging China to play a greater role in world affairs as a responsible member of the international community in commensuration with its power and status, China does not seem to be in any big hurry to do so. It would certainly like to be seen as a responsible member, but not a dominating leader. Its understanding of leadership in world affairs is not the kind of understanding that positions the leader at the very forefront of the group to mete out commands to others, but

a rule-abiding, responsible fellow member of the group. China would not be unhappy if other countries take the lead, as far as its interests are not tampered with, and it does what it can do best, to protect its national interests and then the interests of developing countries, in that order, while not entirely oblivious to the interests of the leaders in the system.

China's vision of the world is a harmonious society in which there is no hegemonic politicking and in which members work together in a cordial manner within a just global structure, a society lying somewhere in between a hierarchical-stability system and a balance-of-power system in which dispute resolution is sought through peaceful means. This is not a harking back to the *tianxia* 天下 system in the tributary past, despite veiled suggestions by some recently published works in the field to that effect,³² but a vision of a harmonious society in contemporary international relations.

What is China's Fate? China's fate lies in its ability to meet the challenges coming from domestic demands for change and international pressure to conform. Domestically the demand for political change is paramount. Like other authoritarian states around the world, China is facing a popular demand for greater freedom and accountability, fuelled by the unprecedented speed with which these demands transmit through digital social networks. China is preoccupied with a host of well-known internal problems such as a widening wealth gap, worsening environmental degradation, and dysfunctional health-care system to be able to pay full attention to addressing global problems.

Externally, its poor human rights record, its marauding search for natural resources, and its neo-mercantilist trading practices have given rise to demands on it to conform to international norms and rules with which China is struggling to cope, with some major successes but still falling short of outside (read Western) expectations.³³ There is a lot of work to be done, especially in how to project its positive image and soft power, to cultivate friendship and to win over the hearts and minds of its competitors. In addition, China has to bear the burden and consequences of misperceptions and suspicions harboured by others of its intentions and behaviour.

China's domestic legitimacy lies in the continuing improvement of the living standard of its poor, coupled with a more relaxed political control. Its external legitimacy lies in working well with multilateral institutions to bring about a more peaceful world and a more equitable and fairer international society. In the midst of trying to enhance its domestic as well as its international legitimacy, China is groping for its own identity, an identity that will break away from its imperial past, its Middle (read Central)³⁴ Kingdom mentality, to morph into one that posits China as a 'normal' state in a multipolar world. Just as China has to live with a U.S. hegemon, there seems to be a need for others to live with a rising China in its rough

transition from a Middle Kingdom to a normal state, while the centre of world power and development continues to shift from the West to the East. China can now afford to dream dreams, whereas in the recent past it has a lot of nightmares.

Notes

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1. Tom Donilon, “America is Back in the Pacific and Will Uphold the Rules”, *Financial Times*, 28th November 2011, p. 9.
 2. “China Will Play by Rules It Negotiates: Official”, Reuters, 14th November 2011.
 3. It is not exactly the kind of world that Aldous Huxley envisioned in his *Brave New World* in 1932 or his *Brave New World Revisited* in 1958, but a world nonetheless changed from a strong belief in the West’s free-market neoliberalism to an acceptance of some robust state control.
 4. Interestingly the revival of activities along the Silk Road through Central Asia in contemporary times is led by the rise of China, according to Rouben Azizian, in his public lecture on “Central Asia: Europe or Asia?” delivered at the University of Auckland, New Zealand, 1st March 2012.
 5. For example, neoliberal institutionalists suggested that the decline started in the early 1970s when President Richard Nixon announced the end of the gold

standard system, followed by the oil crisis. These were the background for Robert Keohane's *After Hegemony*, in which he argues that American staying power lies with the international institution the US has created after the Second World War.

6. "World Watch", Radio New Zealand, 27th November 2011.
7. For some recent useful elaborations of the concepts of unipolarity, bipolarity, and multipolarity in the context of Sino-U.S. relations, see Randall L. Schweller and Xiaoyu Pu, "After Unipolarity: China's Visions of International Order in an Era of U.S. Decline", *International Security*, Vol. 36, No. 1 (Summer 2011), pp. 41-72; G. John Ikenberry, Michael Mastanduno and William C. Wohlforth (eds), *International Relations Theory and Consequences of Unipolarity* (Cambridge: Cambridge University Press, 2011).
8. This unipolar within multipolarity system ties in well with the Chinese conception of *yichao duoqiang* 一超多强 (one superpower, many powers) shortly after the end of the Cold War. See Gerald Chan, *Chinese Perspectives on International Relations* (London: Macmillan Press; New York: St. Martin's Press, 1999), p. 111.
9. Jim O'Neill of Goldman Sachs, who coined the term BRICS some ten years ago, has recently come up with another term CIVETS, rising powers consisting of Columbia, Indonesia, Vietnam, Egypt, Turkey, and South Africa. "First Brics... Now Civets in Changing Global Economy", BBC news <http://news.bbc.co.uk/today/hi/today/newsid_9645000/9645039.stm> (accessed 30th November 2011).
10. In fact, Bloomberg has pointed out that China surpassed the U.S. to become the world's biggest trading nation in 2012, as measured by the sum of exports and imports, according to their respective customs figures: US\$3.82 trillion in the U.S. and US\$3.87 trillion in China. (*Taipei Times*, 11th February 2013, p. 6, <http://www.taipetimes.com/News/biz/archives/2013/02/11/2003554692>, accessed 26th March 2013.)
11. "China Monthly Foreign Exchange Resources" <<http://www.bloomberg.com/quote/CNGFOREX:IND>> (accessed 4th October 2012).
12. Liam Dann, "Get Set for Part 3: The China Crisis", *Weekend Herald*, Auckland, 26th November 2011, p. C4.
13. *Ibid.* Forecasts by a U.S. think tank called the Conference Board see that the Chinese economy growing by 8 per cent in 2012, and slowing to an average annual growth rate of 6.6 per cent from 2013 to 2016. Quoted in Bob Davis, "New Push for Reform in China", *The Wall Street Journal*, 23rd February 2012. The Asian Development Bank lowered its 2012 GDP growth estimate for China to 7.7 per cent from 8.5 per cent projected in April 2012, and to 8.1 per cent from 8.7 per cent for 2013. See "ADB Lowers China's Growth Forecast to 7.7%", *China Daily*, Internet ed., 4th October 2012.
14. *The Guardian Weekly*, 16th December 2011, p. 34.
15. *Ibid.* For a recent analysis of the aid policy and practice of the emerging economies, see a special issue on "Rising States, Donors, Brics and Beyond", *Cambridge Review of International Affairs*, Vol. 25, No. 4 (December 2012).
16. Or "hedge against" China. See Zbigniew Brzezinski, "After America", *Foreign Policy*, January/February 2012. For a potential containment of China mounted

- by the U.S., Japan, Australia, and India, see Ashok Sharma, “The Quadri-lateral Initiative: An Evaluation”, *South Asian Survey*, Vol. 17, No. 2 (2010), pp. 237-53.
17. The U.S. plans to bring about 2,500 U.S. marines to northern Australia by 2016 to 2017 on a rotation basis. See “Three-way Military Drills with US, PRC Possible: Australia”, *Taipei Times* <<http://www.taipeitimes.com/News/front/print/2011/12/23/2003518987>> (accessed 29th November 2011). The first rotation of 200 U.S. marines began in April 2012 and finished up in September 2012. The next rotation of 200 troops is expected to arrive in April 2013. See “US Marines Prepared To Leave Darwin”, *The Australian*, Internet ed., 24 September 2012.
 18. “Paul Keating Welcomes the Rise of China” <<http://www.abc.net.au/lateline/content/2011/s3374642.htm>> (accessed 1st December 2011).
 19. However, in August 2012, Australian Defense Minister Stephen Smith rejected a proposal to base a U.S. nuclear aircraft carrier and other warships in the country. See “Australia Rules Out US Aircraft Carrier Base”, *Global Times* <<http://www.globaltimes.cn/content/724938.shtml>> (accessed 16th August 2012).
 20. Different observers use the term “Obama doctrine” to refer to different things. For example, Douglas Feith and Seth Cropsey define the doctrine as a constraintment policy in global terms, meaning a policy of constraining the U.S. aggressive policy of the past. See their “Constraintment: The Obama Doctrine Defined”, *Commentary*, July/August 2011, pp. 11-18.
 21. Hugh White, “The Obama Doctrine”, *The Wall Street Journal*, 25th November 2011.
 22. The U.S. has maintained military relationship with China’s neighbours, including Japan, South Korea, Taiwan, the Philippines, Australia, and India. The U.S. is improving its links with Vietnam, and with the latest push to break the ice with the military government in Myanmar (formerly Burma), the containment circle is more or less complete.
 23. Interesting, a public opinion poll conducted in nine Asian countries and released by Gallup Inc. on 18th November 2011 revealed that 44 per cent of respondents supported U.S. leadership in Asia, while 30 per cent support Chinese leadership in the region. In Australia, the Philippines, and South Korea, the support for U.S. leadership was 29 percentage points higher than the support for China. See Lin Cheng-yi, “It Is Time To Pick Sides in the South China Sea”, *Taipei Times*, 29th November 2011 <<http://www.taipeitimes.com/News/editorials/archives/2011/11/29/2003519466/1>> (accessed 29th December 2011).
 24. David Nakamura, “China Must ‘Play by the Rules’”, *The Guardian Weekly*, 25th November 2011, p. 10.
 25. Quoted by Grace Ng, “Pacific Trade Pact a Wake-up Call for China?”, *The Straits Times*, Singapore, 23rd November 2011, p. A2.
 26. “China Will Play by Rules It Negotiates: Official”, Reuters, 14th November 2011.
 27. Ian Johnson and Jackie Calmes, “As U.S. Looks to Asia, It Sees China Everywhere”, *New York Times*, 15th November 2011.
 28. *The Sunday Times*, Singapore, 20th November 2011, p. 8 prime.

29. Gerald Chan, "China's Response to the Global Financial Crisis and Its Regional Leadership in East Asia", *Asia Europe Journal*, Vol. 9, Issue 2-4 (March 2012), pp. 197-209.
30. "China's Best Play a Part on International Stage", *China Daily*, 8th August 2012 <http://www.chinadaily.com.cn/cndy/2012-08/08/content_15651073.htm> (accessed 14th August 2012).
31. Muthiah Alagappa opines that the main security concern of Asian countries is state-building which should form the focus of the study of international relations (IR) of the Asia-Pacific region, despite the valuable contributions made by Western IR theories to understand this region. In Alagappa's interview by Chris Laidlaw on Radio New Zealand, 5th December 2011.
32. See Yan Xuetong, *Ancient Chinese Thought, Modern Chinese Power* (Princeton and Oxford: Princeton University Press, 2011) and William A. Callahan and Elena Barabantseva (eds), *Chinese Orders the World: Normative Soft Power and Foreign Policy* (Baltimore, MD: The Johns Hopkins University Press, 2012).
33. For a detailed analysis, see Gerald Chan, Pak K. Lee and Lai-Ha Chan, *China Engages Global Governance: A New World Order in the Making?* (London and New York: Routledge, 2012), especially the Conclusion, pp. 174-84.
34. "Zhongguo" (中国) should be translated as "Central Kingdom", indicating China's long-standing belief that it was at the centre of the world or universe. "Middle" is more of a geographical or positional term, which does not carry the connotation of being at the core/centre of something.