

China, Global Governance, and Hegemony: Neo-Gramscian Perspective in the World Order

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Abstract: This paper intends to provide an analytical framework to interpret the dynamic nexus between China and the world order from the perspective of the neo-Gramscian international relations school. It supposes that the post-war world order is mainly shaped by and reflected in the architecture of international/global governance. This supposition is largely built on the conceptual nexus between global governance, hegemony, and world order. Then, through the lens of global governance, the paper contends that the post-war historical dynamics between China and the world order can be divided into three periods: first the period of hostility and rejection (1949-1971), second the period of acceptance and integration (1971-2008), and third the period of leadership and contribution (2008 up to now). On the basis of such chronology, the paper attempts to deliver a historical and holistic interpretation of China's changing role in the post-war world order. By distinguishing the roles China played and is playing in different historical periods, and by elaborating this dynamic historical process through a holistic view, this paper concludes that China is currently serving as a proactive rule-shaper rather than a disruptive revisionist or a stubborn vindicator of the existing world order.

Keywords: The rise of China, world order, global governance, Neo-Gramscian international relations school

Introduction

The rise of China is widely recognized as one of the most significant phenomena in international relations in the beginning of the 21st century. During the last four decades, especially in the era of post financial crisis since 2008, China's dramatic rise and its significance to the world economy can be observed from the following aspects: (1) in 2009, according to a statistic from the International Energy Agency, China became the world's biggest energy user by consuming 2.252 billion tons of oil equivalent, which exceeded the US' 2.170 billion tons (Swartz & Oster, 2010); (2) in 2010, China replaced the United States as the largest manufacturing power (with a 18.9% share of world's manufacturing activities) and continuously widened its lead in the consecutive years (Mechstroth, 2015); (3) in 2013, with its trade surplus rising by 12.8% to almost \$260 billion,

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China became the world's largest trading nation by overtaking the US (Monaghan, 2014); (4) in 2014, as the International Monetary Fund (IMF) estimated by using purchasing power parity, China became the world's largest economy, worth \$17.6 trillion compared to the US' \$17.4 trillion (Duncan & David, 2014); and (5) in 2015, the IMF added the Chinese Yuan to its Special Drawing Rights (SDR) basket with the Yuan having a 10.9% weighting in the basket, which is just beneath than the US dollar's 41.73% and the Euro's 30.93% (Mayeda, 2015).

The above achievements mainly resulted from Deng Xiaoping's "Tao Guang Yang Hui" (韬光养晦) strategy (keep a low profile and be self-restrained) which emphasizes China's compliance with international rules and integration in the international system. Furthermore, with the increasing deficits of existing global governance and the rise of a large number of emerging powers, China is ushering in a historical opportunity to take more international responsibilities and participate in the rule-making process of international society in accord with China's "You Suo Zuo Wei" (有所作为) strategy (make a difference).

China's strategic transformation has been manifested in a series of proactive actions: (1) To consolidate the core position of the G20 in global economic governance, leading the G20 to become a long-term governance mechanism; (2) to establish the New Development Bank (BRICS' Bank) and the Asian Infrastructure Investment Bank (AIIB), improving the pattern of global financial governance; (3) to propose the "Belt and Road Initiative", constructing a broader framework for international cooperation; (4) to promote that the Paris climate agreement is reached, reflecting the responsible role of a great power; (5) to complete the construction of free trade areas, promoting regional economic integration; and (6) to openly defend globalization and the free market economy, etc.

China's practical foreign policy and its ambitious strategy to be a rule-maker rather than a rule-follower has triggered lots of debate with regard to a remarkable question – *what sort of implications would be brought about by the rise of China to the existing world order? What role is China playing and what role will it play in the global governance structure?*

Power transition theory and offensive realism predict that the rise of China will bring instability to the existing world order. They argue that states are sensitive to their relative

capabilities and will seek to change the international order in ways that better reflect their newly earned power and national interests. When weak, they may reluctantly accept the constraints placed upon them, but once strong enough, they tend to wield their power to change the status quo (Gilpin, 1981; Measheimer, 2014; Organski & Kugler, 1981). Some even declare a new Cold War in which China replaces Russia, recalling that the New Middle Empire has sophisticated nuclear facilities, that it has the largest army in the world, and its budget for defense increases by 10% per year. Then, China is still, despite some recently discovered relative freedom, a totalitarian and so threatening power. In addition, China has problems with human rights, pointing out its many repressive actions, large internal cleavages, a severely altered natural environment, and a still incipient social security system.

Liberalism and constructivism are confident that China will and can be socialized to conform to existing international rules, and consequently, a stronger China can make greater contributions and provide public goods. They point to the strength of international institutions and norms as sufficient constraints on rising powers such as China, which over time will change and adapt lest its aggressiveness invites counterforce and becomes detrimental to its own self-interests (Ikenberry, 2012; Johnston, 2007). They believe that international institutions can help perpetuate US dominance. By strengthening these institutions, the United States can “lock in” the hegemonic order that it built after the Second World War and thereby ensure that it persists after unipolarity ends.

However, this paper argues that the two mainstream international relations theories are only partly applicable to the analysis of the relationship between China and the world order. In other words, each of them did have strong explanatory power for a particular historical period respectively, but both of them lack of a historical and relational interpretation of the contemporary interaction and historical dynamics between the two. As a consequence, the paper intends to provide a theoretical framework on the basis of the core concepts and notions of neo-Gramscian international relations school, to interpret the dynamic nexus between China and world order since the establishment of the People’s Republic of China (PRC). The historical and relational interpretation of this paper would provide an alternative perspective for understanding the rise of China and its impacts on the existing world order.

Methodological Consideration: Neo-Gramscian School

It is unquestionable that US academia has, so far, dominated the development of international relations theory. Perhaps for ideological reasons, although Marxist scholars did not lack international relations theory, they were excluded from the debate dominated by the mainstream international relations theories. Before the 1970s, Marxist international relations theory mainly explored the capitalist financial empire, dependency and the world system, lacking dialogue with mainstream international relations theory. Since the 1970s, with the rise of international political economy, Marxist thoughts and ideas concerning international affairs have been recognized as a significant source for international relations theory. Among these thoughts, the neo-Gramscian school has received the most attention.

The theoretical foundation of the neo-Gramscian school was rooted in the political theory of the Italian left-wing thinker Antonio Gramsci (1891-1937), whose thinking was widely applied in post-war social science research. Robert W. Cox, from York University, Canada, further applied Gramsci's ideas to international relations. Other scholars, such as Stephen Gill, Andreas Bieler, Kees van der Pijl, and Mark Rupert, also adopted Gramsci's views and used them to study the phenomena of regionalization and globalization. These international relations scholars are called the neo-Gramscian school or the Italian school.

The neo-Gramscian school intends to integrate multiple research levels, including the national level and social level, political level and economic level, and international level and domestic level, etc. By so doing, it attempts to provide another perspective for international relations theory. In order to achieve its theoretical purpose, Cox introduced a method of historical structure, from the dialectical relationship among three elements of ideas, material capabilities, and institutions, to analyze society, state, and world. With the development of international political economy, increasing numbers of scholars attach importance to the influence of transnational actors on international relations. In the meantime, the method of historical structure also meets the theoretical requirement of political and economic integration. Moreover, since the 1970s, mainstream international relations theory and international political economy have been heatedly discussing related issues regarding the American hegemonic persistence and post-hegemonic order. Against this background, the neo-Gramscian school's unique view of hegemony and the world order has contributed a lot to the diversity of international relations theory.

In 1981 and 1983, Robert W. Cox published two influential articles in *Millennium*, which laid the foundation for the neo-Gramscian international relations school. According to Cox, neo-Gramscian international relations theory consists of a number of key concepts and notions, such as hegemony, war of maneuver, war of position, passive revolution, and historical bloc, etc. Through these two articles, Cox not only made a huge contribution to raising the concept of hegemony from the national level to the international level, but also he developed a method of historical structures (Cox, 1981) which he defined as,

A picture of a particular configuration of forces. This configuration does not determine actions in any direct mechanical way but imposes pressures and constraints. Individuals and groups may move with the pressures or resist and oppose them, but they cannot ignore them. To the extent that they do successfully resist a prevailing historical structure, they buttress their actions with an alternative, emerging configuration of forces, a rival structure (Cox, 1981: 135).

In order to make the method of historical structures intelligible and applicable, Cox introduced three categories of forces interacting reciprocally in this structure. These forces are material capabilities, institutions, and ideas. To be specific, material capabilities refer to the productive and destructive potentials which are expressed in dynamic form and accumulated forms; ideas consist of two kinds, while the intersubjective meaning indicates the shared notions of the nature of social relations throughout a particular historical structure, the collective images implies several - even opposing - views regarding the legitimacy of existing power relations and the meanings of justice, etc.; institutions, in Cox's viewpoint, is a means of stabilizing and perpetuating a particular order. Institutions do not only reflect the established and emerging power relations, but they also can promote collective images in line with these power relations.

Furthermore, according to Cox, the method of historical structures is applied on three levels – social forces, forms of state, and world orders – which are interrelated. Each of the three levels can be regarded as containing and bearing the impact of the others, and the relationship among them is not simply unilineal (Cox, 1981). Based on Cox's method of historical structures, Stephen Gill has generated a detailed interpretation of a historical bloc as follows,

An historical bloc refers to an historical congruence between material forces, institutions and ideologies, or broadly, an alliance of different class forces politically

organized around a set of hegemonic ideas that gave strategic direction and coherence to its constituent elements. Moreover, for a new historical bloc to emerge, its leaders must engage in ‘conscious, planned struggle’. Any new historical bloc must have not only power within the civil society and economy, it also needs persuasive ideas, arguments and initiatives that build on, catalyze and develop its political networks and organization – not political parties such (Gill, 2003: 58).

The formulation of a new historical bloc is not an easy project, as Cox argued, ‘only a war of position can, in the long run, bring about structural changes, and a war of position involves building up the socio-political base for change through the creation of new historical blocs’ (Cox, 1983: 173-174). On the national level, Gramsci made a comparison between the war of maneuver and war of position regarding their role in countering the existing hegemon and establishing a new historical bloc, and he pointed out that ‘the war of maneuver is the phase of open conflict between classes, where the outcome is decided by direct clashes between revolutionaries and the state. War of position, on the other hand, is the slow, hidden conflict, where forces seek to gain influence and power’ (McHugh, 2013).

The war of position, in this paper, can be regarded as the movement towards the creation of a historical bloc. This movement has been divided by Gramsci (1989) into three levels. The first level is known as the *economico-corporative*, which denotes that the formulation of a particular group is based on specific interests; the second level is considered solidarity or class consciousness, which includes the whole social class but still purely focuses on economic issues; the third and top level is the hegemonic, which ‘brings the interests of the leading class into harmony with those of subordinate classes and incorporates these other interests into an ideology expressed in universal terms’ (Cox, 1983: 168).

In line with Gramsci’s clarification above, hegemony can be seen as the highest level of a historical bloc. Hegemony, according to Gramsci’s understanding and application, suggests ‘a societal acceptance of a large range of norms and rules ranging from mode of production to organizations, systems, regimes and social order’ (Li, 2016: 31). Furthermore, as Gramsci said, hegemony can be achieved through passage from the structure to the sphere of the complex superstructures, by which he means ‘passing from the specific interests of a group or class to the building of institutions and elaboration of ideologies’ (Cox, 1983). Thus, hegemony is attained by economic, political, and cultural leadership, leading to a broadly shared historical bloc. In other

words, a historical bloc, at this level, implies an alliance of a ‘coalition of social forces’ united under a common hegemonic project (Gramsci, 1971).

However, last but not least, the movement towards a new historical bloc or a new hegemon would face its counterforce – passive revolution – from the established powers. According to Gramsci, the notion of passive revolution has two components, Caesarism and *trasformismo*. Caesarism refers to when ‘a strong man intervenes to resolve the stalemate between equal and opposed social forces’ (Cox, 1983: 166), and *trasformismo* serves as ‘a strategy of assimilating and domesticating potentially dangerous ideas by adjusting them to the policies of the dominant coalition and can thereby obstruct the formation of class-based organized opposition to establish social and political power’ (Cox, 1983: 166-167).

Conceptual Nexus: Global Governance, Hegemony and World Order

The concept of global governance was proposed against the background of interdependence and globalization in the post-Cold War era. However, it should be noted that existing global governance can be traced back to the post-war capitalist international order in which the then international governance emerged and developed. In other words, it can be argued that the post-war Western-dominated international governance has laid the foundation for the contemporary architecture of global governance.

In this paper, it is supposed that the changing world order in the post-war era has been mainly shaped by and reflected in the architecture of international/global governance. This supposition is largely built on the conceptual nexus of the three concepts – global governance, hegemony, and the world order – which is expected to be clarified.

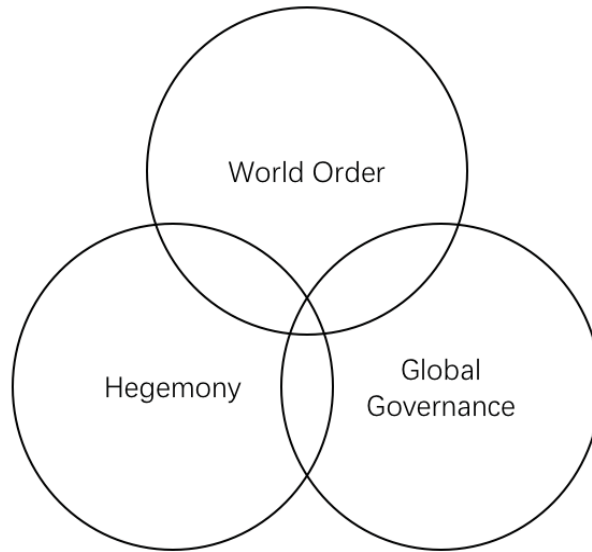


Figure 1: The conceptual nexus among world order, hegemony and global governance

Source: Author’s own compilation

As a heatedly discussed academic topic over the last two decades, global governance has received exponentially increasing attention since the 1990s. Both the analytical unit and analytical level of global governance have broken the boundary of traditional international relations (IR) study. On the one hand, unlike in traditional IR, the state is not a single actor (analytical unit) in global governance any longer, intergovernmental organizations (IGOs), multinational corporations, non-governmental organizations (NGOs), and civil society are all beginning to play significant roles in influencing global issues and addressing global challenges; on the other hand, the rise of global governance can be regarded as a reflection towards and reconstruction of the traditional “levels of analysis” (individual – state – international system). This does not only imply that the state, as the centrality of global governance, is still considered as a core actor, but it also indicates that a higher level of global system (world order) and a lower level of domestic society (social force) should be taken into consideration and added as two complementary analytical levels in the study of global governance.

Since it covers such a wide range of actors and issue areas, as mentioned above, global governance still does not have a universal definition. However, it would not obstruct IR and international political economy scholars to make their contributions to the intellectual edifice in

which the nature of global governance is being continuously explored. This paper has collected some of the representative definitions of global governance which could contribute to our understanding of the conceptual nexus among global governance, hegemony, and world order.

Global governance, as Thomas G. Weiss argues, ‘is the combination of informal and formal values, rules, norms, procedures, practices, policies, and organizations of various types that often provide a surprising and desirable degree of global order, stability and predictability’ (Weiss, 2013: 32). Raimo Vayrynen identifies global governance as ‘collective actions to establish international institutions and norms to cope with the causes and consequences of adverse supranational, transnational, or national problems’ (Vayrynen, 1999: 25).

Margaret Karns and Karen Mingst proposed their viewpoint of *the pieces of global governance*, which can be divided into six categories: (1) IGOs and NGOs; (2) international rules and laws, which includes more than 3,600 multilateral agreements, apart from numerous legal practices and opinions; (3) international norms or ‘soft law’ in the areas of human rights and environmental protections; (4) international regimes, that is, principles, norms, rules and decision-making structures in specific issue areas; (5) ad hoc arrangements and groupings that do not have any legal basis, such as the G7/8 and G20, and global conferences or world summits; and (6) private governance, of which the most typical example is credit-rating agencies, such as Moody’s Investors Service (Karns & Mingst, 2015).

In addition, according to Chan and Lee, ‘global governance concerns the issue of how the world is governed; that is, how global problems are handled and how global order and stability can be ensured, in the absence of an overarching central authority or world government to regulate’ (Chan & Lee, 2012: 5).

From these definitions and interpretations, it can be found that institutions and ideas are two critical elements constituting global governance. In the meantime, as mentioned above, institutions and ideas are also regarded to be two major components of Gramsci’s understanding of hegemony (Gramsci, 1971). More important, the high relatedness between global governance and world order was emphasized by the above scholars in their definitions.

Furthermore, based on an understanding of global governance, one of the breakthrough

points to establish the conceptual relationship between global governance and hegemony is international organizations. According to Cox (1983), international organizations can be regarded as the mechanisms of hegemony,

One mechanism through which the universal norms of world hegemony are expressed is the international organization. Indeed, international organization functions as the process through which the institutions of hegemony and its ideology are developed. Among the features of international organization which express its hegemonic role are the following: (1) the institutions embody the rules which facilitate the expansion of hegemonic world orders; (2) they are themselves the product of the hegemonic world order; (3) they ideologically legitimate the norms of the world order; (4) they co-opt the elites from peripheral countries; (5) they absorb counterhegemonic ideas (Cox, 1983: 172).

In Cox's illustration, international organizations are not merely material entities which 'possess physical locations (or seats), offices, personnel, equipment, and budgets' (Young, 1989: 32), they also contain norms, ideas, and rules of which their founding members are firmly in support. Moreover, the rules, ideas, and norms embedded in international organizations are closely associated with the issue of how international/global affairs should be dealt with and how the world should be governed. In this respect, it is not difficult to comprehend that whether international organization is effective or not as a mechanism of hegemony is largely connected to the rise and decline of global governance and the vicissitudes of world order.

Therefore, if a state or a group of states intends to become a hegemon or a historical bloc, the state or the group of states would have to establish and defend a world order which can be universal in conception, i.e., 'not an order in which one state directly exploits others but an order which most other states could find compatible with their interests' (Cox, 1983).

Last but not least, at the end of this section, it is necessary to point out three different but overlapping ways of understanding the world order, developed by Steen Fryba Christensen and Li Xing: world disorder, world new order, and world re-order.

World disorder indicates the confrontations and clashes between existing powers and emerging powers. Because of their disagreements and conflicts of interest, the international regimes and existing structures are inclined to be disrupted; world re-order implies that the existing

order displays an ability for resilience by responding to altering environments in which a historical evolution from unipolarity to multipolarity is proceeding. This order will undertake a *trasformismo* process (one kind of passive revolution) in which the existing structure is trying to accommodate the new rising powers, and the essential features of the existing order are expected to be maintained; world new order, as the name implies, suggests that the world is to be shaped by a new order in which the existing and emerging powers will negotiate on new relationship terms shaped by new norms, rules and ideas, leading to a redefined new world order (Christensen & Li, 2016).

Analysis: Historical Dynamics between China and Global Governance

The paper attempts to deliver a historical and holistic interpretation of China's changing role in the post-war world order since the establishment of the PRC. On the basis of the conceptual nexus built in the last section, these historical dynamics between China and the world order will be interpreted and analyzed through the lens of international/global governance. Moreover, by applying the method of historical structure developed by Cox, China's roles in international/global governance will be discussed through investigating the three interrelated and reciprocal elements: material capabilities, institutions, and ideations. The historical process is divided into three periods: the period of hostility and rejection (1949-1971), the period of acceptance and integration (1971-2008), and the period of leadership and contribution (2008 up to now). This division is mainly based on three significant historical events: the outbreak of the Cold War, Ping-pong diplomacy², and the spread of the 2008 global financial crisis.

Time phase China and international/ global governance	The period of hostility and rejection (1949- 1971)	The period of acceptance and integration (1971- 2008)	The period of leadership and contribution (2008 up to now)
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² “Ping-pong diplomacy” (乒乓外交) refers to the exchange of table tennis (ping-pong) players between the United States and the PRC in the early 1970s. The event marked a thaw in Sino-American relations that paved the way for a visit to Beijing by President Richard Nixon.

Strategic choice	Radical anti-hegemonic strategy by means of the war of maneuver	“Tao Guang Yang Hui”, move with the passive revolution from hegemony	“You Suo Zuo Wei”, Counter-hegemony through war of position
Material capabilities	China was a middle power between the two superpowers, the US and the USSR	China was a subordinated state under the US-dominated hegemony	China is the second largest economy in the world
Ideas	World Revolution, anti-imperialism, anti-revisionism	“Three World Theory”, “Reform and Opening-up”, accept and comply with Western ideas and norms	“Wide consultation, joint contribution and shared benefits”, contribute new ideas
Institutions	Criticized and resisted Western-based international institutions	Active engagement and cooperation with Western-led institutions	Initiated new China-led institutions, such as the AIIB and the NDB
The direction of world order	World disorder	World re-order	Between world re-order and world new order

Table 1: Historical dynamics between China and international/global governance

Source: Author’s compilation

The period of hostility and rejection (1949-1971)

The outbreak of the Cold War in 1940s split the world into two historical blocs: the Western-dominant capitalist international system and the USSR socialist international system. Contemporary global governance can be traced back to the then Western-led international governance, which is also widely recognized as the “post-war international order”. Post-war Western-based international governance is built upon three significant pillars. They are: the political pillar, the United Nations; the economic pillar, the Bretton Woods System; and the security pillar, the North Atlantic Treaty Organization.

In accordance with the changing international situation, this period can further be divided into two subphases, the subphase of “Leaning to One Side” (1949-1960) and the subphase of “Two Fronts” (1960-1971). In this period, generally speaking, China maintained an attitude of hostility and rejection towards and adopted an anti-hegemonic strategy against the then Western-dominated international governance, through the means of the war of maneuver.

In terms of material capabilities, after the Second World War, although China was struggling to transform itself from a backward agricultural country to an industrial country, it had vast land, a large population, and great economic and military potential, and its high political status as the second largest socialist country made China an indispensable power between the two superpowers. In this first subphase (1949-1960), the United States did not give up its recognition of the fugitive Chiang Kai-shek regime, refusing to recognize the legitimacy of the new Chinese government and obstructing China to replace the Kuomintang government in the United Nations and other international organizations. Thus, for its national security and ideology, the US was regarded as the main threat by China. In the second subphase (1960-1971), around the late 1950s and early 1960s, relations between China and the USSR began to deteriorate and finally relations changed from being allies into being enemies. In the meantime, the US’ hostility towards China not only changed, but also intensified. The main idea of the Kennedy administration was that China was more “aggressive” than the Soviet Union and was more threatening. Thus, on the issue of China, the two superpowers formed somewhat of a consensus, and in some areas, they even dealt jointly with China.

With regard to ideas, Mao Zedong, the then Chinese president, proposed that China should assume a responsibility for world revolution on the international level. This corresponded to Mao’s idea of persisting in the revolution on the domestic level, such as the “Three Great Remould”³

³ The “Three Great Remould” (三大改造) refers to the socialist remould of the ownership of the means of production by the Chinese government from 1952 to 1956. This included the socialist remould of agriculture, the handicraft industry, and the capitalist industrial and commercial sectors. The purpose was to change the nature of production relations. At the end of 1956, the three major remoulds were basically completed, which signaled that China had entered the primary stage of

from 1952-1956. After the complete split between China and the Soviet Union in 1962 under the strategic guidance of the “Two Fronts”, Mao Zedong made it clear that the struggle against imperialism and revisionism were China's primary task. He believed that, within 50 years to 100 years, it would be a great time for the complete transformation of the social system in the world (Zhou, 2009). In 1965, “People's Daily” put forward the slogan of “continued revolution”. Under the guidance of the idea of supporting world revolution, China was not only a major supporter of the armed struggle led by revolutionary parties in Southeast Asian countries, including Myanmar, Indonesia, and Vietnam, etc.; it was also the major source of foreign aid to Third World countries. In 1973, the amount of China’s foreign aid hit a historical high, accounting for 2.05 percent of its Gross National Product (GNP) for that year (Zhang, 2012). The theoretical and practical experience of China-promoted world revolution can be regarded as the war of maneuver adopted by China as a radical anti-hegemonic strategy.

With reference to institutions, since the founding of ‘New China’, due to its ideological opposition, China, for a long period, was excluded from the international governance system under the US’ policy of isolation and blockade. Coupled with Taiwan’s long-term occupation of a United Nations seat supported by the United States, China was isolated from almost all of the critical international organizations before its restoration of its legitimate UN seat. In addition, another reason for this isolation was China’s adherence to the principles of independent foreign policy and non-interference, which made China fear interference from Western international organizations. In the meanwhile, in line with Mao Zedong’s ideas of world revolution, China perceived Western-led international organizations – the main components of post-war international governance – as the political and economic tools of Western imperialism to interfere in the sovereignty and internal affairs of other countries. For example, China considered the United Nations as the US’ voting machine.

In sum, in this period, it can be observed that the relationship between China and the Western-based international governance was mutual hostility and mutual rejection. China’s foreign policy of “Leaning to one side” and “Two Fronts”, its ideas of world revolution, and its strong

socialism. The socialist system (economic aspect) was basically established in China.

critiques of Western-dominated international organizations together reflect China's anti-hegemonic view by means of the war of maneuver. Therefore, China's role in the then international governance can be considered to be that of a "system revisionist".

The period of acceptance and integration (1971-2008)

In the second period (1971-2008), China not only began to accept and recognize Western-based international/global governance, but it was also integrated into and benefitted a lot from this system. Like the last period, this period was also further divided into two subphases, one marked by the event of "Ping-pong diplomacy" in 1971; and the other signaled by the launch of China's "Reform and Opening-up Policy" in 1978.

With regard to material capabilities, in the first subphase (1971-1978), with the further deterioration of Sino-Soviet relations especially after the Sino-Soviet border armed conflict in 1969, Chinese leaders recognized that the Soviet Union posed a greater threat to China than the United States. Against this background, "Ping-pong diplomacy" contributed a lot to the lessened tensions between the US and China, opening the door for then US' President Nixon's visit to China in 1972 (Andrews, 2016). Nixon's visit promoted reconciliation between the US and China, and realized cooperation between the two states to jointly suppress the Soviet Union (Zhang, 1997). This reconciliation finally led to the establishment of Sino-US diplomatic relations in 1979, which changed the landscape of world power relations. The second subphase (1978-2008) witnessed the dramatic rise of China during those three decades, averaging 9-10 percent real growth per year. In this subphase, China lifted 400 million people out of poverty, which was claimed as "unprecedented in human history" by the World Bank. More significant, China has been the engine for East Asian and global economic growth (Li, 2010).

In terms of ideas, in the first subphase (1971-1978), the "Three World Theory" - proposed by Mao Zedong in 1974 - was built on his arguments of "One Intermediate Zone" (1954) and "Two Intermediate Zones" (1963). Mao contended that the division of three worlds was based on two indicators, one being national capacity and the other being ideology and social institutions. According to the "Three World Theory", two superpowers, the US and the USSR, belonged to the First World; the intermediate section, including Europe, Japan, Australia, and Canada, is the Second World; and Asia (except Japan), Africa, and Latin America belong to the Third World.

Under the guidance of the “Three World Theory”, in order to achieve its target of opposing the hegemony of the USSR, China can change its policy towards the US from war and confrontation into dialogue and cooperation, and China can create foreign policy by crossing social, institutional, and cultural differences so as to establish a broad united front including the Second World and the Third World (Jiang, 2012). Compared to the radical strategy – world revolution – in the first period, the establishment of a broad united front can be considered as a relatively moderate and circuitous counterhegemonic strategy, coined the war of position.

In the second subphase, the main idea of China’s grand strategy was the “Reform and Opening-up” which contributed tremendously to the rise of China. It contends that the proposition of “Reform and Opening-up” was based on two considerations of the then Chinese leadership. One was to realize domestic development and economic modernization, which could deal with the crisis of legitimacy faced by the second generation of leadership headed by Deng Xiaoping after Mao's (the first generation of leadership) economic and political chaos in his late years. The other was to improve China’s international image and reputation (Johnston, 2001), especially after China’s long isolation from the system of international governance. Moreover, at the beginning of the 1990s, Deng Xiaoping proposed another idea of “Tao Guang Yang Hui” (韬光养晦), implying that China should keep a low profile and be self-restrained. China would not seek hegemony or take the lead. Therefore, in this subphase, in line with the ideas of “Reform and Opening-up” and “Tao Guang Yang Hui”, and because of its national interest and the pressure from international society, China was gradually accepting and complying with some of the ideas and norms embedded in the Western-led international order.

Regarding institutions, in the first subphase (1971-1978), with the transfer of the UN seat from Taiwan to the PRC in 1971, China began to establish or resume limited cooperation with certain international organizations. China established contacts with the subsidiary bodies of the United Nations and participated in its activities. For instance, in 1972, China participated in the official activities of the United Nations Development Program, the United Nations Environment Program, the United Nations Industrial Development Organization, and the United Nations Conference on Trade and Development, etc. In November 1973, the Chinese delegation attended the 17th session of the Food and Agriculture Organization’s conference and was elected a member. At the same time, China also established contact with a number of regional organizations. For

example, in May 1975, the European Community issued a statement recognizing the People's Republic of China as the only legitimate government of China, and establishing a formal diplomatic relations with China through negotiations. In addition, China also resumed and developed relations with international organizations such as the Organization for the Prohibition of Nuclear Weapons in Latin America, the International Commission on Dams, the International Association of Geodesy and Geophysics, the International Organization for Standardization, the International Olympic Committee, the Asian Sports Federation, and the African Union of Trade Unions, etc. During this period, the number of international organizations China participated in increased from 1 in 1966 to 21 in 1977 (Wang & Tan, 2010).

In the second subphase, since the beginning of Reform and Opening-up, China expanded and deepened its relationship with more major Western-dominated international organizations, such as the World Bank, the IMF and GATT (the predecessor of World Trade Organization (WTO)). On 17th April 1980, the IMF officially restored China's representation. In April 1980, Deng Xiaoping met with Robert Strange McNamara, the then president of the World Bank, explaining China's Reform and Opening-Up Policy, and welcomed the World Bank's cooperation with China. On May 12th of the same year, China officially resumed its legal seat in the World Bank. China and the World Bank have conducted fruitful cooperation in three areas: project loans, economic research, and technical assistance. In November 1982, the GATT granted China the status of observer state, by which China participated in the Uruguay Round of negotiations. After more than 15 years of hard negotiations, China became a member of the WTO in 2001. This marks a new stage in the interaction between China and global economic governance, and it promotes the Chinese economy to share more convergence with the international/global economic system through institutional cooperation.

Above all, in this period, the economic factors and international image were two important considerations for China's participation in international/global governance. Thus, it can be observed that, under Deng Xiaoping's strategic guidance of "Tao Guang Yang Hui" (韬光养晦), China was moving away from passive revolution to the Western-led international system. China not only accepted and complied with Western-based ideas and institutions, but it also benefitted a lot from its integration in this system. One outstanding fact should be noted that, in 2005, Zoellick proposed that the United States step up efforts to make China a "responsible stakeholder" in the

international system (Xinhua, 2009). Throughout this period, China's role in international/global governance was changing from the "system revisionist" to "system vindicator".

The period of leadership and contribution (2008 up to now)

The beginning of the third period (2008 up to now) was marked by the event of the 2008 global financial crisis. In this period, China started to play a more proactive role in global governance, and showed its willingness to join and shape the architecture of global governance. The focus of China's foreign policy is not confined to the calculations of pure economic gain and loss, but it is also expanding to the socio-political and superstructural domains. By so doing, China intends to obtain more structural power - which refers to "the power to choose and to shape the structures of the global political economy within which other states, their political institutions, their economic enterprises, and (not least) their professional people have to operate" (Strange, 1987: 565).

With regard to material capabilities, the 2008 global financial crisis led to a revolutionary global power redistribution, with the dramatic rise of the emerging powers and the relative decline of the established powers. Among the emerging powers, China, as a developing country, has had a number of achievements. China became the world's biggest energy user in 2009, it replaced the United States as the largest manufacturing power in 2010, and it became the world's largest trading nation in 2013, etc. Moreover, it can be said that China has gained more technological and organizational capabilities than ever before. For instance, in the latest round of reform of the IMF and the World Bank, China's voting share increased 3.143% and 1.64%, which was the highest compared to other countries. After this reform, China became the third most powerful member in both of the two existing international organizations. In addition, the Chinese Yuan was added to the IMF's SDR basket in 2015, with the Yuan having a 10.9% weighting in the basket, which is just below that of the US dollar's 41.73% and the Euro's 30.93%.

In terms of ideas, since China's new leadership headed by Xi Jinping in 2012, China has, for the first time, put forward its overall idea of global governance, the principle of "wide consultation, joint contribution and shared benefits". To be more specific, wide consultation refers to the brainstorming and discussion by all participants in global governance; joint contribution indicates all participants do their best to play to their respective advantages and potential to promote the construction of global governance; shared benefits means that the consequences of global

governance are more equitable to all participants (Xinhua, 2015). Moreover, China proposed a number of innovative ideas regarding different issue areas of global governance. For instance, the Belt and Road Initiative was proposed by China in order to promote regional development and integration in Asia; the proposal of the New Asian Security Concept indicates that China has great willingness to take solid steps to strengthen security dialogue and cooperation with other parties, and jointly explore the formulation of a code of conduct for regional security; by promoting the idea of the “Community of Common Destiny”, China is striving for developing a shared regional vision and trying to persuade other countries that their own peace and prosperity will best be secured by being more intertwined with that of China; and China’s proposition of the “New Type of Major Power Relations” can be considered as a strong response to the argument of “Thucydides’ Trap” in the era of globalization and interdependence.

With reference to institutions, although China’s status in existing global governance has been relatively strengthened since the global financial crisis, its rights for speaking and making decisions are still not matched with its material capacities and its contributions to world development. As a result, China has begun to move from joining Western-dominated international organizations to struggling for more structural power through initiating several new international organizations. This transition can be regarded as a milestone of China’s dynamic role in global governance. One point should be noted: the China-led AIIB is the first multilateral development bank initiated by a developing country, which shows China’s determination to be a leader and rule-maker in global governance. In addition, the New Development Bank was established by the BRICS in 2014, which was considered as a great achievement of this China-led trans-regional cooperative mechanism. Last but not least, China’s leaders have claimed several times, on different occasions, that China-led international institutions will play a complementary role in the existing global governance.

In sum, in this period, it can be found that China is adopting a counter-hegemony strategy through its war of position which is a slow, hidden conflict where forces seek to gain influence and power. This can be seen to be manifested in China’s great willingness to lead and shape the development of global governance by contributing a number of new ideas, institutions, and regional/global public goods. By so doing, China is starting to play a more proactive role in the making of a new historical bloc (an emerging global governance structure) co-shaped by the

established and emerging powers compared to the old historical bloc (the Western-dominated global governance structure). China's role in global governance is experiencing a transition from a "system vindicator" to that of a "system reshaper".

Conclusion: A New World Order in the Making?

This paper has provided a historical and holistic interpretation of the historical dynamics between China and the world order over the past six and half decades through the lens of international/global governance. According to neo-Gramscian IR theory, it attempts to place the relationship between China and the world order within a dynamic movement rather than a static analytical framework in a certain historical background, as realism and liberalism would suggest. This approach can lead to a more holistic understanding of China's dynamic role in global governance/world order from past to present.

In each historical period, inspired by the neo-Gramscian school, the paper argued that the dynamic interactions between material capabilities, ideas, and institutions constructed the causes and consequences of China's strategic choices in international/global governance. Moreover, the three historical periods are not separated from each other, which means that the consequence of one period would be the cause for the other. In other words, China's strategic choice and its role in global governance today have deep roots in past periods.

After a long isolation from the then international governance during the first period, we suggest that China could not achieve its desired economic development (the failure of the Great Leap Forward⁴) and international status (China's passive position caused by the "Two Fronts" policy) by choosing the radical anti-hegemony strategy by means of the war of maneuver which shaped China as a "system revisionist". It forced China to reexamine its foreign policy and accept the passive revolution from the United States (Nixon's visit to China) under the guiding principle of "Tao Guang Yang Hui". From there, China launched its "Reform and Opening-up Policy", by

⁴ The "Great Leap Forward" (大跃进) of the PRC was an economic and social campaign by the Communist Party of China from 1958 to 1962. The campaign was led by Chairman Mao Zedong and aimed to rapidly transform the country from an agrarian economy into a socialist society through rapid industrialization and collectivization. However, it is widely considered to have caused the Great Chinese Famine.

which China was not only recognized by an increasing number of countries politically, but it also has, economically, benefitted a lot from its integration into Western-based international/global governance. Against that background, it can be said that China has successfully transformed itself from a “system revisionist” to a “system vindicator”. Since the 2008 global financial crisis, given that the defects of Western-led global governance are becoming more obvious, with the revolutionary change of the pattern of global power, China has started to adopt a counter-hegemony strategy through the war of position guided by the principle of “You Suo Zuo Wei”. As a popular phrase from Spiderman goes, “with great power comes great responsibility”. In these circumstances, China has proposed a number of innovative ideas and a few emerging international institutions which aim at reforming/reshaping the architecture of global governance. Thus, it can be considered that China is moving from a “system vindicator” to “system reshaper”.

From the above historical process, one critical point should be noted: as China has been closely associated with the existing international system over the last four decades, it also suggests that although China has become the second largest economy in the world and has incredible material capabilities, it has no reason or intention to thoroughly overthrow the existing world order, which is not accordance with China’s national interest. As Chinese President Xi Jinping argues, “China is a participant, builder and contributor to the current international system ... we want to continue to be the participant, facilitator, and leader of the global governance change process” (Xinhua, 2016).

Last but not least, by placing the rising China and its “You Suo Zuo Wei” strategy within the context of the “Three World Order” (world disorder, world re-order, and world new order) developed by Christensen and Li (2016), this paper has produced the following arguments, (1) as the largest emerging power, China is undoubtedly involved with and is even play a leading role in the making of a new world order; (2) this new world order must not be a “world disorder”, which indicates the confrontations and clashes between existing powers and emerging powers, since this situation is not in the interest of any country in the era of interdependence and globalization; and (3) the new world order in the making may be seen as in-between the “world re-order” and “world new order”; the former implies that “the existing order is trying to accommodate the new rising powers, and the essential features of the existing order are expected to be maintained” (2016: 5), and the latter suggests “the existing and emerging powers will negotiate on new terms of

relationship shaped by new norms, rules and ideas, leading to redefined new world order” (Christensen & Li, 2016: 4).

The argument “world re-order” is kind of conservative, underestimating the possibility and capabilities of China in shaping the rules of game; on the contrary, the argument of a “world new order” is sort of radical, overestimating China’s intention and capacity to change the world order. Therefore, based on these understandings, it is reasonable to conclude that China is currently serving as a proactive rule-shaper rather than a disruptive revisionist or a stubborn vindicator of the existing world order. However, it is necessary to mention that China’s role of rule-shaper is still in its early stages, as past experience shows. It still needs to be tested by a long historical process. How the relationship between China and the world order will develop in the long run still depends on a number of predictable and unpredictable factors.

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