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Matthew D. Stephen

How is China's rise leaving its mark on the practices, norms and institutions of international politics? In their article, "China and the Logic of Illiberal Hegemony", Darren J. Lim and G. John Ikenberry offer a provocative answer to this question. Lim and Ikenberry set out to identify "the logic and practices of an ideal-type order that most closely suits China's preferences."[1] They distil three organizational principles or logics that could characterize a potential Chinese model of international order: the logic of difference, the logic of win-win, and the logic of partnerships. The authors argue that while such logics may not be illiberal *per se*, by attracting autocratic state followers and being based on pragmatic interstate bargaining rather than formal institutions, they may generate illiberal outcomes over time. If this argumentation holds, it raises considerable doubt about the sustainability of liberal international order in the face of China's continued rise.

Lim and Ikenberry advance a bold argument that is likely to animate debates about China's rise in the coming years. The claim that domestic structures matter for the nature of international power transitions is

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[1]Darren J. Lim and G. John Ikenberry, "China and the Logic of Illiberal Hegemony," *Security Studies* 32, no. 1 (2023): 1-31.

convincing. The identification of China with a nascent "illiberal hegemony" is likely to resonate strongly with the emerging bipartisan consensus in the United States that identifies China as a "revisionist power" that seeks to export "an illiberal model of international order."[2] The focus on the operational logics of a potential Chinese hegemony is a welcome departure from the realist preoccupation with international order's distributive characteristics and the functional institutionalist focus on order's formal institutional characteristics. Neither theory is able to capture changes in the social purposes that international order serves.

Other aspects of Lim and Ikenberry's analysis should be approached more critically. First, thinking in terms of rival international hegemonic orders—one American-led and liberal, one Chinese-led and illiberal—obscures the commonalities that both powers share and makes it difficult to account for the institutional complexity of the contemporary power shift. Neither the United States nor China is a consistent upholder of the current international order, and both powers display dissatisfaction with the structures, practices, and social purposes of many of its established institutions. An alternative approach is to think about China's order-building activities less as an alternative hegemonic system than as a layered order on top of an already institutionalized, but increasingly contested, status quo. This would also highlight the deep overlaps and interactions between US-led and China-led orders. Second, Lim and Ikenberry's ideal-typical approach to theorizing Chinese international order-building largely ignores the role that China has already played in building actually existing institutions of international order. While their ideal-typical model offers an interesting thought experiment into the nature of a hypothetical Chinese hegemony, a more empirical approach reveals a more differentiated picture of Chinese order-building characterized by institutional overlap, interaction, and forces of convergence as well as divergence. This highlights the limits of Lim and Ikenberry's hypothetical approach to hegemony.

The Institutional Complexity of the Contemporary Power Shift

The traditional approach to international hegemonic order-building assumes a largely clear space upon which hegemonic orders can be constructed.[3] The key mechanism behind the creation of such clear spaces is hegemonic war. Scholars view such wars as loosening constraints on action and creating new distributions of power which facilitate "the rebuilding of order

[2]See White House, *National Security Strategy of the United States of America* (Washington D.C.: White House, 2017), 25, https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf; and White House, *National Security Strategy of the United States of America* (Washington D.C.: White House, 2022), 8, https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf.

[3]Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981).

after major wars."[4] Yet, the current shift in international power has not (praise be) given rise to a hegemonic war, and any effort at hegemonic order-building needs to depart from an already institutionalized international order.

Lim and Ikenberry acknowledge this reality when they note that "[t]he absence of a great-power war and the continuing global presence of the United States makes a clean break and a fresh start impossible."[5] But they regard the absence of a clean slate primarily as a methodological challenge to divining what a Chinese-led international order would look like under ideal conditions. They largely set aside the issue of how well their ideal type describes the messy empirical reality, which is an outcome not only of China's preferences but of the constraints of existing structures and the actions and reactions of other states and actors.[6] This is a missed opportunity for exploring the institutional complexity of the contemporary power shift.

First, while there is much truth to the claim that China has emerged in a global order that embodies a liberal social purpose deriving from prolonged Western dominance,[7] it would be a gross oversimplification to assume that the United States is the upholder of liberal international order while China is seeking to revise or replace it.[8] Lim and Ikenberry acknowledge this complexity but neither engage with it nor integrate it into their theorizing. Putting aside conceptual objections that the very notion of a singular liberal international order obscures more than it reveals,[9] numerous scholars have shown how both the United States and China reject some aspects of established institutions and norms while supporting others.[10] For example, while China rejects traditional liberal interpretations

[4]G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars* (Princeton: Princeton University Press, 2001).

[5]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony," 10.

[6]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony", 4.

[7]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony", 1-2; Matthew D. Stephen, "Emerging Powers and Emerging Trends in Global Governance," *Global Governance* 23 no. 3 (2017): 483–502; Yan Xuetong, "Chinese Values vs. Liberalism: What Ideology Will Shape the International Normative Order?" *The Chinese Journal of International Politics* 10, no. 3 (2018): 1–22.

[8]Alastair Iain Johnston, "China in a World of Orders," *International Security* 44, no. 2 (2019): 9–60; Andreas Kruck and Bernhard Zangl, 'The Adjustment of International Institutions to Global Power Shifts: A Framework for Analysis', *Global Policy* 11, no. S3 (2020): 5–16; Matthew D. Stephen and Michael Zürn, eds., *Contested World Orders Rising Powers, Non-Governmental Organizations, and the Politics of Authority beyond the Nation State* (Oxford: Oxford University Press, 2019).

[9]Alexander Cooley and Daniel Nexon, *Exit from Hegemony: The Unraveling of the American Global Order* (Oxford University Press, 2020), 21–25; Hans Kundnani, "What Is the Liberal International Order?" *German Marshall Fund of the United States Policy Essay* 17 (2017), https://www.jstor.org/stable/resrep18909.

[10]Steve Chan,, Huiyun Feng, Kai He, and Weixing Hu, *Contesting Revisionism: China, the United States, and the Transformation of International Order* (Oxford: Oxford University Press, 2021); Rosemary Foot and Andrew Walter, *China, the United States, and Global Order* (Cambridge: Cambridge University Press, 2011); Johnston, "China in a World of Orders"; Scott L. Kastner, Margaret M. Pearson, and Chad Rector, *China's Strategic Multilateralism: Investing in Global Governance*. (Cambridge: Cambridge University Press, 2018); Jessica Chen Weiss and Jeremy L. Wallace, "Domestic Politics, China's Rise, and the Future of the Liberal International Order," *International Organization* 75, no. 2 (2021): 635-664.

of human rights, it consistently signals support for the authority of the United Nations Security Council.[11] Likewise, while the United States largely supports institutions where it enjoys institutional privileges, such as the World Bank and International Monetary Fund, it frequently challenges other rules and institutions associated with liberal international order, such as the World Trade Organization (WTO) and the United Nations Human Rights Council.[12] At times it has even challenged some of the most basic norms of international society, such as the peaceful settlement of disputes.[13] The partial and selective support of both major powers for existing international institutions significantly complicates the picture of an illiberal great power rising up in a liberal order dominated by a liberal hegemon. Both China and the United States can act as challengers to or defenders of established order, depending on the issue at stake.

Second, the existence of a pre-existing institutional order changes the incentive structure for a rising China to engage in alternative order-building. Lim and Ikenberry make an important point when they state that the Chinese state seeks to make the international environment more amenable to its domestic governance arrangements. Yet this does not necessarily require the construction of an alternative international order. Rather, the promotion of new norms and institutions takes place alongside attempts to bring established practices and institutions more closely into line with China's preferences. The case of the Asian Infrastructure Investment Bank (AIIB) highlights that rather than institutional "creation" being an alternative choice to institutional "change",[14] both strategies can be pursued simultaneously. The different strategies are often complementary, as both the threat and actual creation of additional institutions can increase leverage over existing ones. The fact that China confronts an already strongly institutionalized international order limits both the incentives and the capacity for China to construct an alternative order. Under conditions of uncertainty, resource scarcity, and satisficing rather than maximizing, the promotion of an alternative Chinese order seems less likely than the piecemeal layering of additional institutions onto existing ones.[15]

[11]Johnston, "China in a World of Orders"; Weiss and Wallace, "Domestic Politics, China's Rise, and the Future of the Liberal International Order."

[12]Andreas Kruck et al., "Disentangling Institutional Contestation by Established Powers: Types of Contestation Frames and Varying Opportunities for the Re-Legitimation of International Institutions," *Global Constitutionalism* 11, no. 2 (2022): 344–68.

[13]Ian Hurd, 'Breaking and Making Norms: American Revisionism and Crises of Legitimacy', *International Politics* 44, no. 2 (2007): 194–213.

[14]Joseph Jupille, Walter Mattli, and Duncan Snidal, *Institutional Choice and Global Commerce* (Cambridge: Cambridge University Press, 2013).

[15]Lars S. Skålnes, 'Layering and Displacement in Development Finance: The Asian Infrastructure Investment Bank and the Belt and Road Initiative', *The Chinese Journal of International Politics* 14, no. 2 (2021): 257–88; On layering, see Jeroen van der Heijden, 'Institutional Layering: A Review of the Use of the Concept', *Politics* 31, no. 1 (2011): 9–18.

Third, conceptualizing an alternative Chinese order in ideal-typical terms downplays the extent to which different orders overlap and interact. Institutional overlap exists when two or more institutions share both policy tasks and membership.[16] Hegemonic orders can overlap in a similar manner. Lim and Ikenberry are probably correct to argue that authoritarian governments will find China's approach to international cooperation attractive as it neutralizes challenges to their political legitimacy and offers pragmatic benefits. Yet, there is also significant evidence that Chinese order-building attracts followers regardless of regime type. For example, more than half of the membership of the (China-led) AIIB are also members of the (US- and Japan-led) Asian Development Bank, and both institutions are nested within the broader membership of the World Bank Group. Few countries see these institutions as mutually exclusive, even as each institution exhibits different normative and policy priorities.[17] Although the United States government has made some effort to propagate a democratic/authoritarian divide as a new ideological cleavage in international order, one study found no evidence that regime type or domestic human rights practices played a role in shaping states' participation in China's Belt and Road Forum for International Cooperation.[18] Several countries typically seen as key members of the American hegemonic order, such as Australia, Japan, New Zealand, and South Korea, are already more economically dependent on China than with any other country.[19] India, a major emerging power, insists on its strategic autonomy and combines membership of the China-led Shanghai Cooperation Organization (SCO) with membership in the US-led Quadrilateral Security Dialogue (Quad). The existence of a large degree of overlap complicates the idea of an alternative China-led order strengthening illiberalism, and highlights the degree of integration and overlap between different orders, each of which can reflect different social purposes and varying degrees of American or Chinese leadership.

[16]Yoram Z. Haftel and Tobias Lenz, 'Measuring Institutional Overlap in Global Governance', *The Review of International Organizations* 17, no. 2 (2022): 327.

[17]Matthew D. Stephen and David Skidmore, 'The AIIB in the Liberal International Order', *The Chinese Journal of International Politics* 12, no. 1 (2019): 61–91; data on AIIB and ADB memberships was retrieved from https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html and https://www.adb.org/who-we-are/organization/board-governors (accessed 06 January 2023).

[18]J. Lawrence Broz, Zhiwen Zhang, and Gaoyang Wang, 'Explaining Foreign Support for China's Global Economic Leadership', *International Organization* 74, no. 3 (2020): 444–45.

[19]For all four countries, China is both the largest export destination and import source. World Trade Organization, 'Trade Profiles', WTO Trade Statistics, accessed 2 December 2022, https://www.wto.org/english/res_e/statis_e/trade_profiles_list_e.htm.

China as a Builder of Actually Existing International Order

Lim and Ikenberry's main aim is "to explore the dimensions and underlying logic of a China-led model and consider what such a model, if realized, might imply for the overall character of the resulting international order—that is, how China might build and preside over an ordered system of relations with other states."[20] The conditional mood is crucial. In a footnote, they describe their task as "explicitly theoretical and somewhat speculative".[21]

What Lim and Ikenberry offer is an exercise in estimating China's ideal preferences regarding international order, although it is somewhat limited by its lack of engagement with Chinese sources.[22] Yet even if the goal is purely theoretical, the methodological approach is difficult to parse. They combine various methodological strategies, stating that their model "is derived both from our assumptions about Beijing's preferences, the intentions manifest in the statements of China's leaders, and observed practices of China's existing order-building activity that, we argue, stem from China's own domestic model."[23] This combination of inductive and deductive approaches to identifying preferences makes it hard to discern whether they are developing theoretical statements that can be tested, or presenting empirical findings that test such statements. The result is a heavily stylized picture of Chinese illiberal hegemony that relies on a high level of extrapolation and speculation.

An alternative approach would be to examine more closely the observable practices of China's order-building activity, either to test competing theories of order-building, or as an inductive empirical step towards theory development. China has already participated in the creation of numerous international institutions and initiatives, where China's preferences and capabilities have confronted the practical realities of order-building in collaboration with other international actors. These initiatives vary widely in terms of their geographic scope, issue area, level of institutional formality, as well as the extent of Chinese leadership in institutional creation.[24] It is evident that not all of them can be painted with the same brush. They range from informal and largely Chinese initiatives such as the various China-led regional forums,[25] through to new formal

[20]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony", 4.
[21]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony", 6 (note 22).
[22]An analysis of Chinese government ideal preferences, drawing extensively on Chinese sources, is Rush Doshi, *The Long Game: China's Grand Strategy to Displace American Order* (Oxford: Oxford University Press, 2021).
[23]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony", 6.
[24]Matthew D Stephen, 'China's New Multilateral Institutions: A Framework and Research Agenda', *International Studies Review* 23, no. 3 (2021): 807–34.
[25]Pedro Paulo dos Santos, Yichao Li, and José Alves, 'The New Face of Multilateralism: The Case of "Chinese" Forums', in *The Palgrave Handbook of Globalization with Chinese Characteristics: The Case of the*

intergovernmental organizations, such as the AIIB.[26] Some, such as the Asia-Pacific Space Cooperation Organization (APSCO) or the ASEAN +3 Macroeconomic Research Office (AMRO) hardly fit the picture of Chinese hegemony painted by Lim and Ikenberry, but consist of classical intergovernmental organizations that largely reproduce the social purposes of existing governance mechanisms. Others, such as the World Internet Conference and the South-South Human Rights Forum, are much looser arrangements and more closely reflect China's normative and policy preferences. They may therefore come closer to Lim and Ikenberry's characterization of Chinese hegemony. But the variousness of China's order-building activities should not be ignored.

It is surprising that Lim and Ikenberry devote so little attention to such institutions, especially in light of their previous analysis of "China's institutional statecraft" through the AIIB.[27] Despite the apparent success of such an initiative, Lim and Ikenberry maintain that "in observed practice China consistently seeks to sideline multilateral mechanisms and elevate bilateral approaches over issues affecting core national interests".[28] They cite China's position in maritime sovereignty disputes in the South China Sea in support of this statement.[29] They claim that China favors "a model of loose, informal, and primarily bilateral mechanisms of conflict resolution" which inherently privileges powerful states and confers "a baseline illiberal character on the emerging order."[30]

In contrast to these claims, the Chinese and American approaches to multilateralism actually have a lot in common. While China has indeed rejected the findings of the international arbitral tribunal constituted under the United Nations Convention on Law of the Sea (UNCLOS) in relation to territorial claims in the South China Sea, the United States is not even a party to the convention.[31] Meanwhile, the United States itself has become the greatest threat to the viability of the WTO, arguably the keystone multilateral institution of liberal international order. Frustration with the WTO has led the US to impose wide-ranging tariffs and to scuttle the WTO dispute settlement mechanism by blocking the appointment of Appellate Body judges.[32] In a

Belt and Road Initiative, ed. Paulo Afonso B. Duarte, Francisco José B. S. Leandro, and Enrique Martínez Galán (Singapore: Springer Nature, 2023), 253–70.

[26]Wei Liang, 'China's Institutional Statecraft under Xi Jinping: Has the AIIB Served China's Interest?', *Journal of Contemporary China* 30, no. 128 (2021): 283–98.

[27]G. John Ikenberry and Darren Lim, *China's Emerging Institutional Statecraft* (Washington D.C.: Brookings, 2017).

[28]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony", 23.

[29]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony", 23 & 27.

[30]Lim and Ikenberry, "China and the Logic of Illiberal Hegemony", 26-27, note 126.

[31]Permanent Court of Arbitration, 'The South China Sea Arbitration (The Republic of Philippines v. The People's Republic of China)', Permanent Court of Arbitration, 16 January 2023, https://pca-cpa.org/en/cases/7/.

[32]Mark A. Pollack, 'International Court Curbing in Geneva: Lessons from the Paralysis of the WTO Appellate Body', *Governance* 36, no. 1 (2023): 23–39; Daniel C.K. Chow, 'United States Unilateralism and the World Trade Organization', *Boston University International Law Journal* 37, no. 1 (2019): 1–34.

clear challenge to Lim and Ikenberry's claims, China has participated in the European Union's initiative to establish a voluntary and temporary initiative to keep the WTO's own mechanism of conflict resolution afloat.[33]

It remains too early to tell if this initiative can save the WTO from the fallout of the China-US trade rivalry and the widespread securitization of international trade and investment that has occurred in response to Russia's invasion of Ukraine. Yet, it is simply misleading to claim that China's instrumental approach to multilateralism would distinguish its "illiberal" hegemony from the "liberal" hegemony of the United States. There has always been some wiggle room in the "loosely" rule-based nature of America's liberal international order. While there clearly are differences in the purposes and ideologies of the two powers, a selective and strategic approach to multilateral rules is common to both. Moreover, the institutions that China has actually created exist alongside, overlap with, and layer onto the institutions associated with liberal international order. This gives rise to novel inter-order dynamics. While some forces may tend towards driving the orders apart and encouraging a bifurcation of the global system, other forces—such as inter-institutional emulation, socialization, and competition—may encourage the orders to converge.[34] The result might be a more liberal Chinese order and a less liberal American one. Thinking in terms of rival hegemonic orders requires us to take the similarities as well as differences of Chinese and American approaches to international order-building into account, and to acknowledge the mutual overlaps and interactions that characterize the contemporary power shift.

Disclosure Statement

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[33]Olga Starshinova, 'Is the MPIA a Solution to the WTO Appellate Body Crisis?', *Journal of World Trade* 55, no. Issue 5 (2021): 787–803.

[34]For the former, see John M Owen, 'Two Emerging International Orders? China and the United States', *International Affairs* 97, no. 5 (2021): 1415–31.