

China and the Logic of Illiberal Hegemony

Darren J. Lim

G. John Ikenberry

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Abstract

We develop a theoretical logic and character of a Chinese model of international order. We begin by considering general problems of power transition and hegemonic order-building, with reference to the American experience with liberal hegemony. China will, like all powerful states, seek an order that protects its interests. But unlike its predecessors, China faces an existing order containing elements posing a threat to its domestic political and economic model. We describe this domestic model, and consider how it might be defended at the international level—embedded in the logic and organizational principles of hegemonic order. Our contribution is to theorize the consequences of China’s hegemonic interests, including domestic preservation, and its order-building practices, for the operation and underlying character of a China-led hegemonic order. While not inherently illiberal in form, we outline how the emergent order could generate illiberal outcomes. This paper therefore theorizes the concept of illiberal hegemony.

Darren J. Lim is a Senior Lecturer in the School of Politics and International Relations at the Australian National University.

G. John Ikenberry is Albert G. Milbank Professor of Politics and International Affairs at Princeton University and Global Eminence Scholar at Kyung Hee University.

1. Introduction

China's emergence as a global power is one of the defining events of modern world politics. In three decades, China has moved from its position as a large developing country on the periphery of the global system to near peer competitor status with the United States. China's far-flung and rapidly expanding trade and investment relations have given it a political presence in all regions of the world. With the world's fastest growing military, China is increasingly asserting itself within East Asia and beyond. Its ambitious vision of the Belt and Road Initiative (BRI) and commitment to leadership in next generation science and technology also mark China's arrival as a global power. In some respects, the rise of China is simply the most recent case of an old drama that has played out repeatedly across the ancient and modern eras—power transitions and the rise and decline of great powers. But what makes China's rise particularly profound—and potentially fraught—is that it is an illiberal great power rising up within a global order that has been shaped and dominated for over seventy years by a liberal hegemon, the United States, and its partners.

Not surprisingly, therefore, as China has made its rapid ascent, scholars have been debating the question: how will China leave its mark on global order? In what ways will China use its power to shape new and reshape existing global rules and institutions? Will it rise up and join the existing Western-led international order, working from inside this order to reform its rules and institutions, or will it seek to build its own China-led system of order? The debate has ranged widely.¹ Some scholars have argued that the Western-led international order

¹ Alastair Iain Johnston, "China in a World of Orders: Rethinking Compliance and Challenge in Beijing's International Relations," *International Security* 44, no. 2 (Fall 2019): 9-60; Jessica Chen Weiss, "A World Safe for Autocracy," *Foreign Affairs* 98, no. 4 (July/August 2019): 92-102; Nadege Rolland, "China's Vision for a New World Order," National Bureau of Asian Research, Special Report no. 83 (January 2020), <https://www.nbr.org/publication/chinas-vision-for-a-new-world-order>; Lee Jones, "Does China's Belt and Road Initiative Challenge the Liberal, Rules-Based Order?" *Fudan Journal of the Humanities and Social Sciences* 13, no.1 (March 2020): 113-133; Evelyn Goh, "Contesting Hegemonic Order: China in East Asia," *Security Studies* 28, no. 3 (2019): 614-644; Liza Tobin, "Xi's Vision for Transforming Global Governance: A Strategic

presents an array of incentives and constraints that should lead China to join and integrate within it. In effect, the order is “easy to join and hard to overturn”.² After all, China is already deeply embedded in most of the regional and global institutions that make up the system, not least the United Nations Security Council.³ On the other side of the debate, writers have speculated on the character of a coming Sino-centered world order that would no longer be anchored by US power, or modeled on the institutions and values that characterized Washington’s hegemonic leadership.⁴

Most scholarly work rests in between these poles, illuminating the variety and complexity of Chinese orientations toward international rules and institutions. China often finds itself making decisions variously to work inside existing institutions to acquire leadership and voice, and to establish new institutions that allow it greater authority and control. Scholars now offer sophisticated accounts of this complex decision logic.⁵ Other scholars focus on the multifaceted and shifting character of the global complex of rules and regimes, offering insights

Challenge for Washington and Its Allies,” *Texas National Security Review* 2, no. 1 (December 2018); Xiaoyu Pu, “China’s International Leadership: Regional Activism vs. Global Reluctance,” *Chinese Political Science Review* 3 (2018): 48-61; Michael J. Mazarr, Timothy R. Heath, and Astrid Stuth Cevallos, *China and the International Order* (Santa Monica, CA: Rand Corporation, 2018); Shiping Tang, “China and the Future International Order(s),” *Ethics and International Affairs* 32, no. 1 (2018): 31-43; Stacie E. Goddard, “Embedded Revisionism: Networks, Institutions, and Challenges to World Order,” *International Organization* 72, no. 4 (Fall 2018): 763–797; and Shaun Breslin, “China and the Global Order: Signalling Threat or Friendship”, *International Affairs* 89, no. 3 (2013): 615-634.

² G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton, NJ: Princeton University Press, 2011), 20.

³ Rosemary Foot and Andrew Walter, *China, the United States, and World Order* (Cambridge: Cambridge University Press, 2011); Courtney J Fung, *China and Intervention at the UN Security Council: Reconciling Status* (Oxford: Oxford University Press, 2019).

⁴ Elizabeth Economy, “Xi Jinping’s New World Order: Can China Remake the International System?” *Foreign Affairs* 101, no 1 (January/February 2022). See also Weiss, “A World Safe for Democracy;” Martin Jacques, *When China rules the world: The rise of the middle kingdom and the end of the western world* 2nd ed. (London: Penguin, 2012); **Error! Main Document Only.** Stacie E. Goddard, *When Right Makes Might: Rising Powers and World Order* (Ithaca, NY: Cornell University Press, 2018); Aaron Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: Norton, 2011); and Edward Steinfeld, *Playing Our Game: Why China’s Rise Doesn’t Threaten the West* (Oxford: Oxford University Press, 2010).

⁵ Philip Lipsky, *Renegotiating World Order: Institutional Change in International Relations* (Cambridge: Cambridge University Press, 2017); G John Ikenberry and Darren Lim, “China’s Emerging Institutional Statecraft: The Asian Infrastructure Investment Bank and the Prospects for Counter-Hegemony,” Brookings Institution, Project on International Order and Strategy (April 2017), <https://www.brookings.edu/wp-content/uploads/2017/04/chinas-emerging-institutional-statecraft.pdf>; and Scott L Kastner, Margaret Pearson, and Chad Rector, *China’s Strategic Multilateralism: Investing in Global Governance* (Cambridge, UK: Cambridge University Press, 2018).

into the logic of “contested multilateralism”, where states—including China—struggle over the policy values and social purposes of multilateral institutions.⁶ Going further, Johnston argues that the “liberal international order” is not a single entity; rather, there are multiple orders that are not always liberal, and reflect a mix of deliberate acts of leadership by powerful states and emergent properties of a wider range of social interactions. Within these orders, China’s strategies toward various domains of rules and institutions vary accordingly.⁷ Johnston’s contribution both synthesizes and systematizes a broader critique of the liberal international order concept, establishing that simple and binary contrasts between the status quo and Beijing’s approach are both theoretically unsatisfying and empirically suspect, especially given recent “anti-globalist” disaffection in many liberal democracies.⁸

As a counterpoint, Beijing’s “autocratic turn” has led a growing number of scholars and pundits to question the American strategy of inviting China into the World Trade Organization (WTO) and other Western multilateral institutions.⁹ The aspiration to shape the trajectories of political systems was a distinctive feature of the liberal international order in its prime. The post-Cold War “liberal bet” that China would integrate into these institutions and slowly liberalize its economy and political system appears to have not worked out.¹⁰ Instead, Beijing found it could gain the benefits of trade and investment in the world economy without liberalizing its domestic political system.¹¹ China is simply too big and too illiberal to follow

⁶ Julia C. Morse and Robert O. Keohane, “Contested Multilateralism,” *Review of International Organizations* 9 (2014): 385–412.

⁷ Johnston, “China in a World of Orders.”

⁸ See, e.g. Patrick Porter, *The False Promise of Liberal Order: Nostalgia, Delusion and the Rise of Trump* (Cambridge, U.K.: Polity Press, 2020).

⁹ For a critical overview of this argument, see Alastair Ian Johnson, “The Failures of the ‘Failure of Engagement’ with China,” *The Washington Quarterly* 42, no. 2 (2019): 99-114.

¹⁰ Michal Mastanduno, “Partner Politics: Russia, China, and the Challenge of Extending US Hegemony after the Cold War,” *Security Studies* 28, no. 3 (2019): 479-504. For an argument that the United States should have pursued a post-Cold War strategy of containment of China, see John J. Mearsheimer, “The Inevitable Rivalry: America, China, and the Tragedy of Power Politics,” *Foreign Affairs* 100, no. 6 (November/December 2021): 48-58.

¹¹ Kurt M. Campbell and Ely Ratner, “The China Reckoning: How Beijing Defied American Expectations,” *Foreign Affairs* 97, no. 2 (2018): 60-70.

the pathway of other East Asian countries—a pathway of trade-oriented integration into the world economy, leading to domestic economic and political reform and liberalizing transitions. On the contrary, as China has grown more powerful and wealthy, it has been able to resist those liberalizing pressures and begun to articulate a distinctive vision of development and international order that embraces—and indeed looks to bolster—some aspects of the status quo, while ardently challenging others.

What is the China “model” of international order? Answering this question is necessarily a two-step process. The first is to identify the logic and practices of an ideal type order that most closely suits China’s preferences.¹² The second step is to consider how this ideal type interacts with the specific structures and constraints embodied in the existing order and the likely responses of other states in the system. While there is an increasing body of work that considers this second step—how China’s quest for global leadership is being shaped by the existing distribution of capabilities, preferences, institutions and ideas—what is missing is a theoretically coherent picture of a stable order that would be consistent with Beijing’s interests.¹³ This paper’s primary contribution is theoretical: 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.

Initially, the study of hegemony in international relations focused on the connections between the existence of a prominent state and the provision of public goods and the establishment and functioning of international rules and institutions—so called “hegemonic

¹² For an up-to-date and sophisticated discussion of China’s expressed preferences, see Rolland, “China’s Vision for a New World Order”. While we agree with Johnston (2019) that it is problematic to define an existing international order solely with reference to a (dominant) state’s interests, this does not preclude inquiry into the type of order most suited to a (rising) state’s interests: Johnston, “China in a World of Orders.”

¹³ On the interaction between China and the existing liberal international order, see Jessica Chen Weiss and Jeremy L. Wallace, “Domestic politics, China’s rise and the future of the liberal international order”, *International Organisation* 75, no. 2 (Spring 2021): 635-64.

stability theory”.¹⁴ More recently, scholars have begun to explore variation in the character of hegemonic orders, looking at the shifting bargains and coalitions that give distinctive logics and organizational shapes to these orders.¹⁵ While most of this work has focused on the hegemonic order-building projects of the United Kingdom and United States, the rise of China as a global power gives scholars an opportunity to explore the logic and character of what might be an emerging Chinese hegemonic order. Would “Chinese hegemony” look different from “American hegemony,” and precisely in what ways?¹⁶

Theorizing a China-led model of international order first requires specifying China’s interests. Yet as Rolland points out, “beyond a set of cryptic or bland formulations, the Chinese leadership does not spell out explicitly what its vision is”, and as Breslin observes, President Xi Jinping’s “announcement of rather ill-defined concepts and goals ... are short on actual content and act more as a rallying slogan or millenarian aspiration”.¹⁷ China’s vision has not been given specific content by mainland academics or think tanks, either. We adopt two strategies to overcome this vagueness and advance our theoretical objectives. First, we assume that China holds, like all powerful states, certain enduring “hegemonic preferences”, but that these are refracted through China’s distinctive strategic context. A hegemonic interest that was latent for dominant states in previous eras—the protection of its domestic system of

¹⁴ Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981); and Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984).

¹⁵ See Evelyn Goh, *The Struggle for Order: Hegemony, Hierarchy, and Transition in Cold-War East Asia* (Oxford: Oxford University Press, 2013); Janice Bially Mattern and Ayse Zarakol, “Hierarchies in World Politics,” *International Organization* 70, no. 3 (2016): 623-654; and G. John Ikenberry and Daniel Nexon, “Hegemonic Studies 3.0: Toward Theorizing Hegemonic Orders,” *Security Studies* 28, no. 3 (2019): 395-421.

¹⁶ This point is made by John Ruggie in his seminal observation that “the fact of *American* hegemony. . . was decisive after World War II, not merely *American hegemony*” (our emphasis): John Ruggie, “Multilateralism at Century’s End,” in *Constructing the World Polity: Essays on International Institutionalisation* (New York: Routledge, 1998), 127.

¹⁷ Rolland “China’s Vision for a New World Order,” 3; Breslin, “China risen”, 69. See also Lutgard Lams, “Examining strategic narratives in Chinese official discourses under Xi Jinping”, *Journal of Chinese Political Science* 23, no. 3: 387– 411.

governance—is now patent.¹⁸ Unlike its predecessors, China faces an existing order containing elements that pose a direct threat to China’s authoritarian party-led model.¹⁹ Domestic factors are not an unprecedented consideration in the order-building of previous hegemons—the US-led post-war order was sensitive to the need to maintain domestic political stability even as governments were seeking to align external policies through multilateral cooperation.²⁰ Yet what makes Beijing’s motivations somewhat novel is the prominence of the imperative to preserve the authority and legitimacy of a specific domestic political configuration—one-party rule by the Chinese Communist Party (CCP) —as its primary hegemonic interest.²¹

Exploring the operation and underlying character of a China-led hegemonic order then requires explaining how China’s interests would be reflected in that order. Our second strategy to theorize beyond the vagueness of the expressed vision is to develop operational logics 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 will argue, stem from China’s own domestic model.²² While not inherently illiberal in form, we outline the logic for how outcomes of the emerging order would increasingly be illiberal in nature. This paper therefore theorizes the concept of illiberal hegemony.²³

¹⁸ See, e.g. C. Von Soest, “Democracy prevention: The international collaboration of authoritarian regimes,”

European Journal of Political Research 54, no. 4 (2015): 623-638; Julia Bader, “Propping up dictators?

Economic cooperation from China and its impact on authoritarian persistence in party and non-party regimes,”

European Journal of Political Research 54, no. 4 (2015): 655-672; and Weiss, “A world safe for autocracy?”

¹⁹ Andrew Nathan, “Domestic factors in the making of Chinese foreign policy”, *China Report* 52, no. 3 (2016): 179-191; Weiss and Wallace, “Domestic politics, China’s rise and the future of the liberal international order.”

²⁰ John Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” *International Organization* 36, no. 2 (1982): 379-415.

²¹ Shaun Breslin, *China risen? Studying Chinese global power* (Bristol: Bristol University Press, 2021), 65.

²² Our paper’s reliance on Chinese-language sources is limited to translations of major speeches, which are arguably the most authoritative of open source material: Rush Doshi, *The long game: China’s grand strategy to displace American order* (New York: Oxford University Press, 2021), 42. However, we acknowledge the inherent limitations of excluding other Chinese-language material, even in an explicitly theoretical and somewhat speculative exercise like this one.

²³ Our use of the term “illiberal hegemony” differs from that of Barry R. Posen, who uses it to characterize the United States’ foreign policy under President Donald Trump. See Posen, “The Rise of Illiberal Hegemony: Trump’s Surprising Grand Strategy,” *Foreign Affairs* 97, no. 2 (March/April 2018): pp. 20-27.

We make our argument in five steps. We begin by examining the general problems of power transition and how hegemonic preferences manifest in order-building activity. To frame our model of the preferences embedded within, and habituated practices of, Chinese hegemonic leadership, we invoke the American experience in building and leading a hegemonic order. We describe how the motivations and internal character of the United States shaped Washington's order-building approach, creating both the mechanisms and outcomes that gave it liberal characteristics. Second, we outline a stylized model of how China solves the problem of political order and economic organization domestically. Reviewing the literature of Chinese politics and political economy, we argue the domestic "China model" is based on two pillars that form an "authoritarian bargain"—a strong party-led state that exists above legal-rational institutions, and functional economic performance that benefits the people.

Third, we explore how this domestic model can assist in theorizing how Beijing conceives the problem of international order, and the logic and organizational principles of its hegemonic order-building. Such an order will reflect a mix of Beijing's intentional pursuit of hegemonic interests, and its habituated external practices which, we argue, are sourced in its domestic model. We theorize three interlocking logics: the logic of difference, the logic of win-win, and the logic of partnership. Fourth, we draw upon evidence of China's behavior to date in order to speculate on the consequences of these logics in operation, showing how an illiberal hegemonic system could emerge as a result of the structures and practices of Chinese hegemonic leadership. Finally, we conclude with some thoughts and questions on the second step of pinning down a "China model" of international order: how the practice of hegemonic order-building interacts with the status quo, and how this may ultimately shape the evolution of the actual order over the long-term.

2. Hegemonic preferences and the logic of order-building

Hegemonic orders are built by powerful states that seek to bring weaker and secondary states into their geopolitical orbit. While empires—or imperial orders—are established through direct control by powerful states of weaker societies, hegemonic orders are built around relations between sovereign states.²⁴ The classic portrait of hegemonic order comes out of the realist tradition and the literature of power transitions.²⁵ In his account, Robert Gilpin offers a sweeping narrative of the rise and decline of states and the building, destruction, and rebuilding of international order. Periodically, great power war—or hegemonic war—breaks out and destroys the old order. Hegemonic wars are themselves precipitated by long-term and deep shifts in the distribution of global power. In the wake of hegemonic war, a newly powerful state rises up and seeks to rebuild international order. As Gilpin argues, the leading state seeks to build order in a way that protects and advances its interests and values. The war has generated opportunities to establish the rules and institutions of order. At least for a moment, rival states and alternative ordering projects are weakened. Hegemony takes shape as its rules, institutions, bargains, and relationships are put into place.²⁶

²⁴ For a discussion of the differences between hegemonic and orders and empire, see Charles S. Maier, *Among Empires: American Ascendancy and Its Predecessors* (Cambridge, MA: Harvard University Press, 2006); and Michael Doyle, *Empires* (Ithaca, NY: Cornell University Press, 1986).

²⁵ See Gilpin, *War and Change in World Politics*; A.F.K. Organski, *World Politics* (New York, NY: Knopf, 1958); A.F.K. Organski and Jacek Kugler, *The War Ledger* (Chicago: Chicago University Press, 1980); and Jonathan M. DiCicco and Jack S. Levy, “Power Shifts and Problem Shifts: The Evolution of the Power Transition Research Program,” *Journal of Conflict Resolution* 43, no. 6 (December 1999): 675-704.

²⁶ The major focus of hegemonic order theory has been the impact of a hegemonic state on the features of the global system, such as openness and stability. For leading statements and critiques of hegemonic stability theory, see: Charles P. Kindleberger, *The World in Depression, 1929-1939* (Berkeley: University of California Press, 1973); Stephen D. Krasner, “State Power and the Structure of Foreign Trade,” *World Politics* 28, no. 3 (1976): 317-47; Michael C. Webb and Stephen D. Krasner, “Hegemonic Stability Theory: An Empirical Assessment,” *Review of International Studies* 15, no. 2 (April 1989): 183-98; Joanne Gowa, “Rational Hegemons, Excludable Goods, and Small Groups: An Epitaph for Hegemonic Stability Theory?” *World Politics* 41, no. 3 (April 1989): 307-24; Isabelle Grunberg, “Exploring the ‘Myth’ of Hegemonic Stability,” *International Organization* 44, no. 4 (Autumn 1990): 431-77; Keohane, *After Hegemony*; and David Lake, “Leadership, Hegemony, and the International Economy: Naked Emperor or Tattered Monarch?” *International Studies Quarterly* 37, no. 4 (December 1993): 459-89. For a survey, see Robert Gilpin, *The Political Economy of International Relations* (Princeton, NJ: Princeton University Press, 1987), Chapter 3.

When the opportunities exist, leading states invest in building a hegemonic order because in doing so they create a congenial international “environment” in which to operate. Hegemonic order organizes international space in a way that serves the interests of the leading state. Every hegemon shares general order-building goals. One is broadly geopolitical—expanding its sphere of influence and control over other states, and seeking greater prestige and status as a leading state with leadership over the global order. Another set of goals are economic—to gain greater control or influence over the rules and institutions of the world economy relating to the terms of trade, flow of resources, and nature of the monetary system, and to dominate leading technology sectors. A third set of goals are political and institutional—restructuring international governance institutions, shaping the rules, rights, principles, and norms of order. Fourth, a leading state might also seek to project its values, ideology, or religion outward into the international order.²⁷

Behind these goals, however, it is possible to identify a more basic but often latent impulse of a would-be hegemonic state: to shape and control the rules and institutions of order so as to protect its own domestic system and political regime. Woodrow Wilson famously said that the goal of winning World War I was to “make the world safe for democracy.”²⁸ In effect, Wilson was saying that the organization of the postwar order—its principles, institutions, and arrangements—should be organized in a way to safeguard liberal democracy and its way of life. Of course, neither the United States nor the United Kingdom before it rose within a status-quo order that posed a direct threat to their own internal systems. Rather, the idea was to create

²⁷ For a survey of hegemonic goals, see Randall Schweller, “Managing the Rise of Great Powers: History and Theory,” in Alastair Iain Johnston and Robert S. Ross, eds., *Engaging China: The Management of an Emerging Power* (Abingdon, U.K.: Routledge, 1999), 1-31.

²⁸ See Thomas J. Knock, *To End All Wars: Woodrow Wilson and the Quest for a New World Order* (Oxford: Oxford University Press, 1992).

a congenial international environment or setting for the hegemon's political system to survive and prosper around the world.²⁹

This impulse behind hegemonic order is hinted at in the literature of hegemony and order-building. For example, Kupchan argues that the “packages of ideas and rules that inform the nature of a given order” vary widely.³⁰ These ideas and rules exhibit normative orientations and they are imbued with cultural and ideological dispositions. The United States has imbued its hegemonic order with liberal values and orientations, but Kupchan posits that rival and successor hegemonic states will bring forward their own cultural values and political ideals. The implication is that a leading state does not simply try to advance its geopolitical interests, but also seeks to establish a favorable material and ideological setting, an interest that will be heightened if the current setting threatens its domestic regime. These impulses may at times be latent and unconscious—beyond the pursuit of specific objectives, the hegemon's statecraft and order-building activity, which includes habituated practices and social interactions, will fundamentally be imbued with identities, habits and normative dispositions.³¹ Both the hegemon's intentional, goal-focused strategic behavior, and its habits and socialized practices, contribute to its impact on an order's trajectory.

The post-1945 American experience with hegemonic order-building illustrates how such projects may reflect both the intentional pursuit of preferences and the habituated practices sourced in the hegemon's domestic model. The United States used its unprecedented power after the war to shape the geopolitical, economic, institutional and ideological features of international order. Initially organized inside the Cold War bipolar system, Washington built alliances, trade pacts, multilateral institutions, and strategic partnerships that met specific

²⁹ G. John Ikenberry, *A World Safe for Democracy: Liberal Internationalism and the Crises of Global Order* (New Haven: Yale University Press, 2020).

³⁰ Charles Kupchan, “Unpacking hegemony: The social foundations of hierarchical order,” in G. John Ikenberry, ed., *Power, Order, and Change in World Politics* (Cambridge, UK: Cambridge University Press, 2014), 20.

³¹ See Ted Hopf, “The logic of habit in international relations”, *European Journal of International Relations* 16, no. 4 (December 2010): 539-61.

strategic objectives while binding together the established liberal democracies and a wider assortment of partners and client states. The United States drew others into its orbit. It was hierarchical but also organized around rule-based and reciprocal relations. It was built on political and security bargains between the United States, Western Europe, and Japan. This American-led hegemonic order provided a platform of functional institutions and political stability for elites and political parties across the advanced industrial world to pursue their agendas.³² The liberal characteristics of American-style hegemony stem from the fact that the states that make up the core of this order are liberal democracies. Hegemony is based on rules, bargains, institutions, and partnerships—but forging these sorts of relations between democracies, as well as the practices through which international relations are conducted, biases the order in the direction of an open, rules-based, and multilateral character. The organizational principles that emerge from the order are infused with—at least to some extent—the normative principles of the liberal democracies who comprise the order’s core membership and the habits formed through their socialization with each other. Reciprocally, the order is structured in a way that builds support within the polities that elect leaders. In the post-1945 American hegemonic order, this meant building a system of “embedded liberalism”—an open system that also provided capacities for governments to manage interdependence and foster economic stability and social protections.³³

Of course, the actual hegemonic order built by the United States and its allies and partners in the decades after 1945 was sprawling, complex, and defined by a variety of political logics and principles. As critics of the American-led liberal order note, an order characterized

³² For portraits of American post-1945 order-building that emphasize its liberal internationalist logic, see Wesley Wooley, *Beyond Anarchy: American Supranationalism after World War II* (Bloomington, IN: University of Indiana Press, 1988); Stewart Patrick, *The Best Laid Plans: The Origins of American Multilateralism and the Dawn of the Cold War* (Lanham, MD: Rowman & Littlefield, 2009); Timothy Garton Ash, *Free World: America, Europe, and the Surprising Future of the West* (New York: Random House, 2004); Elizabeth Borgwardt, *A New Deal for the World: America’s Vision for Human Rights* (Cambridge, MA: Harvard University Press, 2005); and Ikenberry, *Liberal Leviathan*.

³³ Ruggie, “International Regimes, Transactions, and Change.”

by openness and multilateral rules does not, in itself, guarantee liberal outcomes, either politically or economically, and contestation and power competition do not disappear.³⁴ But it is the organizational logic of the order—its operating system—which allows contestation, giving states and peoples in the system space for pluralism and through which disputes can be resolved through loosely rule-bound institutional processes, and gives the overall system a liberal character. Openness, the rule of law, and principles of reciprocity and non-discrimination—these are liberal characteristics of order that are present in the American-led postwar order to various degrees, and most prominently in the relations among the advanced industrial democracies.³⁵ The hegemonic order itself is not exclusively “liberal”. But in various ways, it has liberal characteristics.

China does not have the same favorable conditions that the United States did when it built its post-1945 hegemonic order. The absence of a great power war and the continuing global presence of the United States makes a clean break and a fresh start impossible. This also complicates our theoretical project of identifying a distinctive logic that could underlie a Chinese hegemonic order. One possible reason the order outlined by Beijing’s leaders is vague is that formulating an affirmative vision may be hampered by the fundamentally defensive orientation many argue infuses Chinese strategic thought, where the focus is simply countering US-led efforts to contain China’s rise.³⁶ Our strategy in proposing a more concrete albeit theoretical vision is to begin by assuming that, as with every hegemonic order, Chinese hegemony would be structured hierarchically and be directed towards the pursuit of specific interests within the broader goal of creating a congenial strategic environment. However, to

³⁴ For critical appraisals of the American-led liberal hegemonic order, see Porter, *The False Promise of Liberal Order*; John J. Mearsheimer, “Bound to Fail: The Rise and Fall of Liberal International Order,” *International Security*, 43, no. 4 (Spring 2019): 7-50; Graham Allison, “The Myth of the Liberal Order: From Historical Accident to Conventional Wisdom,” *Foreign Affairs* 97 (July/August 2018): 124-33; and Christopher Layne, “Kant or Cant: The Myth of the Democratic Peace,” *International Security* 19, no. 2 (Fall 1994): 5-49.

³⁵ See Thomas Risse-Kappen, *Cooperation among Democracies: The European Influence on U.S. Foreign Policy* (Princeton, NJ: Princeton University Press, 1997).

³⁶ Breslin, *China risen?*, 73; Nathan, “Domestic factors in the making of Chinese foreign policy”, 184.

the extent that the current order poses a threat to China's distinctive domestic model of authoritarian politics and state-directed capitalist economics, Beijing will seek to neutralize that threat. We argue China's order-building will also be imbued with habituated practices and normative orientations sourced from its domestic model. It is to this domestic model—the structure, institutions and practices of the Chinese state—that we now turn.

3. The Domestic Origins of Illiberal Hegemony

China is an authoritarian state, and the literature on the success, durability, and apparent legitimacy of its political model is extensive. Many have grappled with the reality that the predictions of modernization theory have not been borne out in China during its rapid rise to upper-middle income status.³⁷ The broader literature identifies an array of contributors to the durability of authoritarian regimes, including, of course, repression and coercion.³⁸ Yet while repression and a burgeoning domestic security apparatus have undoubtedly played their role in China, it remains true that the CCP has historically enjoyed a significant degree of legitimacy and support from the Chinese public.³⁹ Understanding how this legitimacy is sustained and

³⁷ On modernization theory see, Seymour M. Lipset, "Some social requisites of democracy: economic development and political legitimacy," *American Political Science Review* 53, no. 1 (1959): 69–105. On China, see Barry J. Naughton, "A political economy of China's economic transition," in Loren Brandt and Thomas G. Rawski, eds., *China's Great Economic Transformation* (New York: Cambridge University Press, 2008), 91–136; Bruce Gilley, "Legitimacy and institutional change: the case of China," *Comparative Political Studies* 41, no. 3 (2008): 259–84; Teresa Wright, *Accepting Authoritarianism: State-Society Relations in China's Reform Era* (Stanford, CA: Stanford University Press, 2010); Dali Yang, "China's Developmental Authoritarianism: Dynamics and Pitfalls," *Taiwan Journal of Democracy*, 12, no. 1 (2016): 45-70; Bruce J. Dickson, "The Survival Strategy of the Chinese Communist Party," *The Washington Quarterly* 39, no. 4 (2016): 27-44; and Bruce J. Dickson, *The Dictator's Dilemma: The Chinese Communist Party's Strategy for Survival* (New York: Oxford University Press, 2016).

³⁸ See, e.g., Eva Bellin, "Coercive Institutions and Coercive Leaders," in Marsha Pripstein Posusney and Michele Penner Angrist, eds., *Authoritarianism in the Middle East: Regimes and Resistance* (Boulder, CO: Lynne Rienner, 2005), 21-42; and Johannes Gerschewski, "The three pillars of stability: Legitimation, repression and co-optation in autocratic regimes," *Democratization* 20, no. 1 (2013): 13–38.

³⁹ On repression, see Dickson, "The Survival Strategy of the Chinese Communist Party." On domestic security apparatuses, see Yuhua Wang and Carl Minzner, "The Rise of the Chinese Security State," *The China Quarterly* 222 (2015): 339-359.

contributes to China's domestic political order is important for understanding the practices of Chinese order-building at the international level.

We conceptualize the sources of legitimacy through the lens of an “authoritarian bargain,”⁴⁰ a type of social contract between the CCP and the Chinese people, in which each side receives benefits and incurs obligations.⁴¹ For the Chinese people, the benefits broadly defined are rising material prosperity, security and relative stability, and national pride in the rejuvenation of the Chinese nation—the “China Dream”—which includes being recognized and respected internationally as a major power.⁴² The government's obligation is to deliver these goods, and its authority and legitimacy derive from this functional performance—what has been termed “performance legitimacy.”⁴³ In return, the people must accept a “strong state” model, in which the Party is the preeminent political actor and institution, while legal-rational institutions—the rule-of-law and separation of powers—are subservient.⁴⁴ To adapt Louis XIV's phrase to the Chinese context, “the state is the party” and, increasingly under President Xi Jinping, the party personifies Xi himself.⁴⁵ The centralization of political authority under Xi

⁴⁰ Raj M. Desai, Andres Olofsgard, and Tarik Yousef, “The Logic of Authoritarian Bargains,” *Economics & Politics* 21, no. 1 (2009): 93–125; and Gerschewski, “The three pillars of stability.”

⁴¹ Yang, “China's Developmental Authoritarianism.”

⁴² On material prosperity, see Gilley, “Legitimacy and institutional change”; Teresa Wright, *Accepting Authoritarianism: State-Society Relations in China's Reform Era* (Stanford, CA: Stanford University Press, 2010); and Bruce J. Dickson, Mingming Shen, and Jie Yan, “Generating Regime Support in Contemporary China: Legitimation and the Local Legitimacy Deficit,” *Modern China* 43, no. 2 (2017): 123-155. On security and stability, see Wang and Minzner, “The Rise of the Chinese Security State.” On the contrast between material- and stability-based sources of legitimacy, see Vivienne Shue, “Legitimacy crisis in China?” in Peter Hays Gries and Stanley Rosen, eds., *Chinese Politics: State, Society, and the Market* (New York: Routledge, 2010), 41-68. On the “China Dream,” see Suisheng Zhao, “A State-Led Nationalism: The Patriotic Education Campaign in Post-Tiananmen China,” *Communist and Post-Communist Studies* 31, no. 3 (1998): 287–302; James Reilly, *Strong Society, Smart State* (New York: Columbia University Press, 2012); and Zheng Wang, “The Chinese Dream: Concept and Context,” *Journal of Chinese Political Science* 19, no. 1 (2014): 1-13.

⁴³ Yuchao Zhu, “‘Performance Legitimacy’ and China's Political Adaptation Strategy,” *Journal of Chinese Political Science* 16, no. 2 (2011): 123–40. A parallel practice is “performative governance” that can preserve legitimacy where material performance falls short: Iza Ding, “Performative Governance,” *World Politics* 72, no. 4 (2020): 525-556.

⁴⁴ William A. Callahan, “China's Harmonious World and Post-Western World Orders: Official and Citizen Intellectual Perspectives,” in Rosemary Foot, ed., *China Across the Divide: The Domestic and Global in Politics and Society* (New York: Oxford University Press, 2013), 19-42; and William A. Callahan, “China's ‘Asia Dream’: The Belt Road Initiative and the new regional order,” *Asian Journal of Comparative Politics* 1, no. 3 (2016): 226–243.

⁴⁵ Björn A. Düben, “Xi Jinping and the End of Chinese Exceptionalism,” *Problems of Post-Communism* 62, no. 2 (2018): 111-128. It is argued that Xi's consolidation of power, in particular via a massive anti-corruption

has been firmly entrenched in recent years, constitutionally and narratively.⁴⁶ In other words, in return for accepting the consequences of a “strong state”—single-party rule, the severe curtailment of civil and political rights, and often outright repression—Chinese citizens receive sufficient benefits that they accept the legitimacy of the bargain.

This political logic also shapes the distinctive Chinese model of economic organization—what has been variously called the “Beijing consensus,”⁴⁷ the “Asian Way,”⁴⁸ “Sino-capitalism,”⁴⁹ “refurbished state capitalism,”⁵⁰ a “state-permeated market economy,”⁵¹ and “party-state capitalism”.⁵² The major distinguishing feature of the model is not the absence of capitalism as might be the case in a wholly centralized developmental state; rather, the state reserves for itself the authority to insert itself into market processes at its discretion, utilizing a wide variety of institutional and policy levers, while otherwise pragmatically allowing

campaign, was a response to perceived weaknesses of leadership. See Callahan, “China’s ‘Asia Dream;’” Susan Shirk, “The Return to Personalistic Rule,” *Journal of Democracy* 29, no. 2 (April 2018): 22-36.

⁴⁶ Xi Jinping is expressly recognised as the ‘core’ (*hexin*) of the Party and his ideological ‘thought’ is now incorporated into the Party’s and state’s constitution. Consequently, his writings and speeches legitimize the actions of the Party and make Xi, in effect, the supreme authority of the country. At the Sixth Plenum of the 19th Party Congress in 2021, a rare self-review of the Party’s major achievements and historical experience was convened for the purpose of “resolutely upholding Comrade Xi Jinping’s core position on the Central Committee and in the Party as a whole and upholding the Central Committee’s authority and its centralized, unified leadership to ensure that all Party members act in unison”: Communiqué of the Sixth Plenary Session of the 19th Central Committee of the Communist Party of China (Adopted at the Sixth Plenary Session of the 19th Central Committee of the Communist Party of China on November 11, 2021), http://www.gov.cn/xinwen/2021-11/11/content_5650329.htm

⁴⁷ Joshua C. Ramo, *The Beijing Consensus* (London: Foreign Policy Centre, 2004); Shaun Breslin, “The ‘China Model’ and the Global Crisis: from Friedrich List to a Chinese Mode of Governance?” *International Affairs* 87, no. 6 (2011): 1323-1343.

⁴⁸ Miles Kahler, “Asia and the Reform of Economic Governance,” *Asian Economic Policy Review* 5, no. 2 (2010): 178-193.

⁴⁹ Christopher A. McNally, “Sino-Capitalism: China’s Reemergence and the International Political Economy,” *World Politics* 64, no. 4 (2012): 741-776.

⁵⁰ Christopher A. McNally, “The Challenge of Refurbished State Capitalism: Implications for the Global Political Economic Order,” *Der Moderne Staat* 6, no. 1 (2013): 33-48; Kellee S. Tsai and Barry Naughton, “Introduction,” in Tsai and Naughton, eds., *State capitalism, institutional adaptation and the Chinese economic miracle* (New York: Cambridge University Press, 2015), 1-24.

⁵¹ Andreas Nölke, Tobias ten Brink, Simone Claar and Christian May, “Domestic Structures, Foreign Economic Policies and Global Economic Order: Implications from the Rise of Large Emerging Economies,” *European Journal of International Relations* 21, no. 3 (2014): 538-567.

⁵² Margaret Pearson, Meg Rithmire, and Kellee S. Tsai, “Party-State Capitalism in China,” Harvard Business School Working Paper, No. 21-065 (2020), <https://www.hbs.edu/faculty/Pages/item.aspx?num=59229>; see also Scott Kennedy and Jude Blanchette (eds), *Chinese State Capitalism: Diagnosis and Prognosis*, Center for Strategic and International Studies, October 2021, <https://www.csis.org/events/chinese-state-capitalism-diagnosis-and-prognosis-report-launch>.

capitalist market processes to flourish.⁵³ According to Xi, a proper role is afforded to both the “invisible” and the “visible” hand.⁵⁴ Yet as the economic analogue to political order, this model is consistent with a deeper logic: the state is the most important actor, reserving the right to jettison free-market practices to intervene and control any aspect of the economy it deems necessary. This right is essential for the maintenance of party control and by extension political stability, though it also reflects the belief that effective development comes through activist state management.⁵⁵ In other words, state power also serves the functional purpose of upholding the Party’s end of the authoritarian bargain: to provide benefits to the Chinese people.

The state is not omnipresent in every industry—the degree of its involvement is a function of both strategic considerations and historical legacies.⁵⁶ It dominates “leading” sectors of perceived strategic importance, where state-owned enterprises (SOEs) operate as monopolies, including oil, gas, mining, steel and other intermediate input production, as well as politically sensitive network industries such as information technology, telecommunications and transportation.⁵⁷ While state monopolies are not uncommon in many capitalist systems, in China the state also controls the banking system, which allows policymakers to leverage domestic finance as a tool of industrial policy, paired with restrictions on international capital mobility.⁵⁸ Accordingly, while most Chinese industrial assets are in competitive sectors where private capital accumulation and entrepreneurship are the norm, the state’s control of finance translates into influence over corporate governance, and the investment strategies of firms are

⁵³ Nölke et al, “Domestic Structures, Foreign Economic Policies and Global Economic Order;” Pearson, et al, “Party-State Capitalism in China.”

⁵⁴ Editorial, “Visible and invisible hands”. *China Daily*, May 30, 2014, http://www.chinadaily.com.cn/opinion/2014-05/30/content_17552803.htm.

⁵⁵ McNally, “The Challenge of Refurbished State Capitalism.”

⁵⁶ Roselyn Hsueh, “State Capitalism, Chinese-Style: Strategic Value of Sectors, Sectoral Characteristics, and Globalization,” *Governance* 29, no. 1 (2016): 85-102.

⁵⁷ McNally, “Sino-Capitalism.”

⁵⁸ McNally, “The Challenge of Refurbished State Capitalism;” Nölke, et al, “Domestic Structures, Foreign Economic Policies and Global Economic Order.”

accordingly influenced by the macroeconomic preferences of the government.⁵⁹ In other words, what makes China's system distinct is the integration of politics directly into business; the top management in the most important SOEs are all political appointees, while party cells in private firms bringing enhanced "vigor and influence" have multiplied in recent years.⁶⁰ Moreover, national security laws give the Chinese government broad powers to compel private companies to support state interests.⁶¹ In 2021 a new "common prosperity" campaign, including crackdowns on technology companies, wealthy individuals, education services providers and even certain leisurely pursuits, represents the most recent manifestation of the CCP taking the prerogative of greater control over new areas of the economy, again following a logic of reinforcing party control and thus political and social stability.⁶²

The dominance of the state in turn has implications for the rule of law. McNally identifies "network or *guanxi* capitalism" as a primary component of Chinese capitalism, which is based on "a patriarchic structure of family ownership and control, intricate networks of reciprocity (*guanxi*), and a close interplay between political and economic entrepreneurship."⁶³ This model of capitalism relies relatively less on legal codes and transparent rules, and more on these informal business networks based on reciprocity and other complex interpersonal relationships.⁶⁴ This is another manifestation of the "strong state" concept, embodying a view

⁵⁹ Paul Hubbard, "Where have China's state monopolies gone?" *China Economic Journal* 9, no. 1 (2016): 75-99; Mark Wu, "The China Inc. Challenge to Global Trade Governance," *Harvard International Law Journal* 57, no. 2 (2016): 261-324.

⁶⁰ Kjeld E. Brødsgaard, "China's Communist Party: From Mass to Elite Party," *China Report* 54, no. 4 (2018): 385-402; Pearson, et al, "Party-State Capitalism in China," 8-9.

⁶¹ Samantha Hoffman and Elsa Kania, "Huawei and the ambiguity of China's intelligence and counter-espionage laws," *The Strategist Blog*, September 13, 2018, <https://www.aspistrategist.org.au/huawei-and-the-ambiguity-of-chinas-intelligence-and-counter-espionage-laws/>

⁶² CGTN, "Xi urges financial risk prevention while seeking high-quality growth", Ministry of Defense of the People's Republic of China, August 17, 2021, http://eng.mod.gov.cn/news/2021-08/17/content_4892182.htm . See Ryan Hass, "Assessing China's "common prosperity" campaign", Brookings Institution, September 9, 2021, <https://www.brookings.edu/blog/order-from-chaos/2021/09/09/assessing-chinas-common-prosperity-campaign/> ; Kennedy and Blanchette, "Chinese State Capitalism".

⁶³ McNally, "Sino-Capitalism."

⁶⁴ McNally, "Sino-Capitalism;" and John Osburg, *Anxious Wealth: Money and Morality among China's New Rich* (Stanford: Stanford University Press, 2013).

that independent and impartial rules and institutions are not well-suited for development trajectories in the 21st century, nor as a means of securing political order and stability during this process.

In summary, we argue the “China model,” a distinct domestic system of both political order and economic organization, can be usefully stylized as an “authoritarian bargain” resting upon two pillars. The first is the concept of a “strong state” that is preeminent vis-à-vis any other legal-rational institution. The second is functional performance, where the people grant legitimacy to the strong state model in return for receiving benefits. To be clear, these benefits are not the only sources of legitimacy, and nor is regime legitimacy the only source of China’s political stability.⁶⁵ Nevertheless, our argument is that the model and means through which the Chinese state manages politics and economics internally infuse the practice of China’s leadership internationally, and thus the character of resulting hegemonic order. In particular, the logic of the authoritarian bargain offers important insights into how an illiberal state can construct a hegemonic order sustained partly—but not exclusively—by its coercive power, and partly by the benefits enjoyed by the order’s membership.

4. The logic of a China-led international order

China’s leaders consistently express the sentiment that “China will never pursue hegemony or expansion, nor... seek to create spheres of influence”.⁶⁶ Nevertheless, decades of rapid economic growth and military modernization have given China the material basis to actively begin its career as a hegemonic leader. Scholars have explored the early phases of

⁶⁵ Any comprehensive telling of the China story would need at least to account for institutionalized succession, bureaucratic penetration, co-optation and indeed particular channels of mass participation: see, e.g., Andrew Nathan, “Authoritarian Resilience,” *Journal of Democracy* 14, no. 1 (2003): 6-17; David Shambaugh, *China's Communist Party: Atrophy and Adaptation* (Oakland, CA: University of California Press, 2009); Dickson, “The Survival Strategy of the Chinese Communist Party.”

⁶⁶ State Council, “China and the world in the new era,” (2019), quoted in Breslin, *China risen*, 94.

China's challenge—Schweller and Pu write of Chinese resistance to American unipolarity via a process of “deconcentration and delegitimation”, while Doshi traces a sequence of “blunting” US power, “building” the foundation of regional hegemony and then “expanding” globally, with the third phase beginning in 2016 following Donald Trump's presidential victory.⁶⁷ China is seeking to use its growing power advantages to shape the rules, institutions, bargains, and relationships that make up international order. As Gilpin and other power transition theorists argue, powerful states that find themselves able to build international order follow a broadly similar logic. The newly powerful state seeks to organize the international space in which it operates, attracting states into its orbit, promulgating rules and institutions, providing public goods, and renegotiating global hierarchies. Hegemonic order—whether it is American or Chinese—is not empire; it is not simply order based on imperial coercion. Hegemony is built around bargains and partnerships.⁶⁸ The fact that China is rising up in a world in which the United States is an established and competing hegemonic power simply reinforces this elemental feature of hegemony. Chinese hegemonic order, at some basic level, will need to appeal to the interests of weaker and secondary states if they are to gravitate into its orbit.

But beyond this general logic, what sort of hegemonic order will China seek to build? We argue that the character of a hegemonic order—its “package of ordering ideas and rules”—will reflect both the intentional pursuit of hegemonic objectives, and normatively-imbued, sometimes unconscious, practices and habits sourced from its domestic character. In many ways China's hegemonic aspirations mirror its predecessors, but a latent interest for prior hegemons is patent for contemporary China—protecting its authoritarian party-led regime from threats posed by the extant international order. This means to “make the world safe” for

⁶⁷ Randall L. Schweller and Xiaoyu Pu, “After Unipolarity: China's Visions of International Order in an Era of US Decline”, *International Security* 36, no. 1 (2011): 41-72; Rush Doshi, *The long game: China's grand strategy to displace American order* (New York: Oxford University Press, 2021).

⁶⁸ See Ikenberry and Nexon, “Hegemonic Studies 3.0.”

the Chinese party-state; it does not necessarily mean “export” the Chinese model.⁶⁹ As a policy agenda, we argue that China will work to embed organizational principles into international order that reinforce and legitimate its model of authoritarian governance and state-directed economy, and its practice of order-building will reflect logics, norms and habits manifest in its domestic governance. American hegemonic order has been depicted as “liberal”, organized—at least as an ideal type—around open, multilateral, rules-based relations. In this section we seek to identify ordering logics that connect our assumptions about China’s hegemonic preferences, the intentions expressed by China’s leaders, and observations of China’s existing practices.

The Chinese leadership under President Xi has publicly advanced a vision of an alternative order anchored by the concept of a “community of common destiny”, also referred to as “community of shared future”, a term used repeatedly by the president and which was inserted into the Chinese constitution at the 19th Party Congress in October 2017.⁷⁰ At a minimum, the community concept stands in specific opposition to the post-1945 model of global security, in which the Western concept of collective security developed during the Cold War has increasingly intruded upon state sovereignty, while the hegemonic power of United States sustained an alliance model that cemented American global influence, especially in East Asia. China’s criticism of collective security invokes the logic of the security dilemma: a focus on the security of alliance members inevitably reduces the security of excluded states, causing tensions and conflict between groupings.⁷¹ In 2014 Xi described a “New Asian Security Concept” to move past “outdated thinking from the age of Cold War and zero-sum game”,

⁶⁹ Jessica Chen Weiss, “A world safe for autocracy?”; compare Daniel Tobin, “How Xi Jinping’s “New Era” Should Have Ended U.S. Debate on Beijing’s Ambitions”, Center for Strategic and International Studies, May 8, 2020, <https://www.csis.org/analysis/how-xi-jinpings-new-era-should-have-ended-us-debate-beijings-ambitions>

⁷⁰ “Full text of Resolution on Amendment to CPC Constitution,” *Xinhua*, October 24, 2017, http://www.xinhuanet.com/english/2017-10/24/c_136702726.htm

⁷¹ Nadege Rolland, “Beijing’s vision for a reshaped international order,” *China Brief* 18, no. 3 (February 26, 2018).

which focused on regional security cooperation to the exclusion of the United States: “it is for the people of Asia to run the affairs of Asia, solve the problems of Asia and uphold the security of Asia”.⁷² However, while China’s leaders have been clear on what they oppose about the existing order, they have mostly offered far less precision on the details of a positive vision.⁷³ In what follows we theorize a potential set of organizational principles for hegemonic order formed under Chinese leadership. Our theoretical logic is anchored in both assumptions about China’s baseline hegemonic preferences combined with the language used and concepts elucidated by Beijing’s leaders, and the practice of China’s international interactions, which we argue is sourced from the logic of China’s domestic governance.

Our model situates China at the heart of a global community, leading an alternative order based upon what we conceptualize as three interlocking logics (i) the “logic of difference,” in which states enjoy the freedom—unconstrained by formal rules and institutions—to employ different approaches in the pursuit of their national interests, while affording due consideration to each other’s interests; (ii) the “logic of win-win”, in which states work in “harmony” to achieve mutually beneficial “win-win” cooperation; and (iii) the “logic of partnerships”, in which cooperation is structured around informal partnerships rather than formal institutions, and where any disputes are resolved between the parties involved.⁷⁴

The first pillar of this model, about which China’s leaders have expressed the clearest intentions, is an insistence on a much greater degree of freedom for states to decide upon their own policy settings. Sometimes labelled the principle of “democracy” by China’s leaders,⁷⁵

⁷² Xi Jinping, “New Asian security concept for new progress in security cooperation”, Speech to the 4th Conference on Interaction and Confidence Building Measures in Asia, May 28, 2014: http://www.china.org.cn/world/2014-05/28/content_32511846_2.htm

⁷³ Rolland, “Beijing’s vision for a reshaped international order.”

⁷⁴ See Callahan, “China’s ‘Asia Dream’”; Rolland, “Beijing’s vision for a reshaped international order”; Yong Wang, “China’s vision for a new world order,” *East Asia Forum*, January 25, 2018; Tobin, “Xi’s Vision for Transforming Global Governance.” While our discussion will focus on China under Xi Jinping, the concepts explored below including harmony, and “win-win” and the focus on development date back to the Hu Jintao era, see Callahan, “China’s Harmonious World and Post-Western World Orders.”

⁷⁵ Tobin, “Xi’s Vision for Transforming Global Governance.”

this “**logic of difference**” is designed to achieve the rising power’s most important objective—creating a congenial space for China’s domestic political model to flourish, thus promoting regime survival.⁷⁶ As a system-level organizing principle it embeds far stronger norms of state sovereignty—which Xi has specifically linked back to the Peace of Westphalia but also has roots in Beijing’s historical support for the non-interference principle, which can be identified as far back as the 1950s in documents including the 1950 Sino-Soviet Treaty, the 1954 Five Principles of Peaceful Coexistence and the 1955 Bandung Conference Principles.⁷⁷ The consequence is to erode the penetration of international rules, practices and norms of global governance, including those that lay claim to universalism like liberalism and democracy, which would otherwise limit states’ freedom of action. In Xi’s words, “all countries should respect each other's sovereignty, dignity and territorial integrity, each other's development paths and social systems, and each other's core interests and major concerns”.⁷⁸ Politically this quite clearly creates space for illiberal models of political governance, and economically it allows for far more interventionist macroeconomic and industrial policies. In many policy domains national governments will be “the highest source of authority” rather than global governance.⁷⁹ While China’s leaders have not gone into further detail, this model of international order would seem to imply that multilateral institutions are less focused on setting explicit rules and conducting strict enforcement, but serve as a more loosely arranged set of focal points through which national governments can communicate interests and expectations and leaders can develop networks of interpersonal trust.⁸⁰

⁷⁶ Bader, “Propping up dictators”; and Weiss, “A world safe for autocracy?”

⁷⁷ Xi Jinping, “Work together to build a community of shared future for mankind”, Speech at United Nations Office, Geneva, 18 January 2017: http://www.xinhuanet.com/english/2017-01/19/c_135994707.htm; on the historical origins of non-interference, see Chen Zheng, “China debates the non-interferences principle”, *The Chinese Journal of International Politics* 9, no. 3 (2016): 349-374.

⁷⁸ Xi Jinping, “Work Together to Build the Silk Road Economic Belt and The 21st Century Maritime Silk Road”, Speech at the Opening Ceremony of The Belt and Road Forum for International Cooperation, May 14, 2017, http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm

⁷⁹ Breslin, *China Risen?* 216.

⁸⁰ Empirical patterns establishing a trend toward this model were identified over a decade ago as a “World without the West”, what has changed since is China’s rise to become the dominant non-Western power:

Consistent with the domestic strong state model, a key implication of the logic of difference is to prioritize international interactions that are more inter-governmental in character, with a procedural emphasis on consensus rather than decisiveness.⁸¹ In practice, Beijing's development assistance has tended to prioritize enhancing state capacity rather than supporting non-government groups.⁸² China's practice has also pushed for the marginalization of independent non-state actors and thus the diminution of international civil society and the "activists beyond borders" model of transnational advocacy networks.⁸³ For example, Beijing is active at the United Nations in blocking applications of civil society organizations focused on human rights or who it believes have not endorsed the one-China policy.⁸⁴ Meanwhile, Beijing elevates its own, government-run NGOs that work to advance its own human rights agenda.⁸⁵ Importantly, these international practices mirror China's domestic policy framework, which emphasizes stronger supervision, control and standardization of NGOs to promote "high quality" social organizations.⁸⁶

Leadership of an order founded upon the logic of difference remains hierarchical—indeed, power asymmetries play a greater role in ordering interstate relationships. Yet the

Naazneen Barma, Giacomo Chiozza, Ely Ratner and Steven Weber, "A World Without the West? Empirical Patterns and Theoretical Implications," *The Chinese Journal of International Politics* 2, no. 4 (Winter 2009): 525-544.

⁸¹ Miles Kahler, "Asia and the Reform of Economic Governance," *Asian Economic Policy Review* 5, no. 2 (2010): 178-193.

⁸² Weiss and Wallace, "Domestic politics, China's rise," 640.

⁸³ Andrea Worden, "The Human Rights Council Advisory Committee: A new tool in China's anti-human rights strategy." Paper presented at the workshop, "Mapping China's Footprint in the World II," organised by Sinopsis and the Oriental Institute of the Czech Academy of Sciences, July 2019, <https://sinopsis.cz/en/worden-human-rights-council-advisory-committee/>.

⁸⁴ Rana Sui Inboden, "China at the UN: Choking Civil Society," *Journal of Democracy* 32, 3 (July 2021): 124-135.

⁸⁵ Natasha Kassam and Darren Lim, "Future Shock: How to prepare for a China-led world," *Australian Foreign Affairs* 11 (February 2021), 40. On Beijing's efforts at the United Nations to weaken human rights more generally, see Rosemary Foot, *China, the UN and human protection: Beliefs, power, image* (Oxford, Oxford University Press, 2020).

⁸⁶ See the 14th Five Year Plan for the Development of Social Organizations, issued by the Ministry of Civil Affairs in October 2021. For an overview of this document, see Shawn Shieh, "The 14th Five Year Plan for Social Organizations and the future of civil society in China," *NGOs in China Blog*, January 4, 2022, <https://web.archive.org/web/20220719110116/https://ngochina.blogspot.com/2022/01/the-14th-five-year-plan-for-social.html>

hegemon must offer some basis to draw weaker states into its orbit. We posit a logic equivalent to the domestic authoritarian bargain, what we label the “**logic of win-win**”. Chinese leaders consistently describe desired international cooperation as “win-win”, and the first China-proposed resolution ever adopted at the UN Human Rights Council in 2017 welcomed “efforts to promote development initiatives with the aim of promoting partnerships, win-win outcomes and common development”.⁸⁷ The system leader enjoys certain privileges (more on this below), but must invest in the provision of functional benefits to states in the form of security and prosperity. These benefits seed the fundamental organizing principle of the Chinese model as explained by its leaders: the concept of security *through* development.⁸⁸ Yang Jiechi, China’s most senior foreign policy official, outlined this logic in a 2018 speech, saying “much of the conflict and turbulence we see around the world stems from the lack of development... only with development can we remove the breeding ground of global challenges, secure the basic rights of the people, and propel the progress of the human society”.⁸⁹ The domestic seeds of this principle can be found in the Party’s position on human rights. Foreign Minister Wang Yi has said “the right to development is the primary human right for developing countries”⁹⁰, while “living a life of contentment is the ultimate human right” according to a 2021 white paper; economic, social, cultural and environmental rights are “ensured” while civil and

⁸⁷ Yi Wang, “Toward a New Type of International Relations of Win-Win Cooperation,” Speech at China Development Forum, Beijing, March 23, https://www.fmprc.gov.cn/mfa_eng/wjzb_663304/wjzbz_663308/2461_663310/201503/t20150325_468557.html ; United Nations Human Rights Council, “The contribution of development to the enjoyment of all human rights,” Res 35/21, June 22, 2017.

⁸⁸ Rolland, “Beijing’s vision for a reshaped international order”; Tobin, “Xi’s Vision for Transforming Global Governance.”

⁸⁹ Yang Jiechi, “Working together to build a world of lasting peace and universal security and a community with a shared future for mankind,” Address at the Opening Ceremony of the Seventh World Peace Forum, Tsinghua University, Beijing, 14 July 2018, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/201807/t20180714_678683.html

⁹⁰ Wang Yi, “Advance the global human rights cause and build a community with a shared future for mankind,” Speech at the opening ceremony of the first South–South human rights forum, Beijing, 7 December 2017, <https://www.mfa.gov.cn/ce/cegv/eng/zywjyjh/t1519207.htm>

political rights are merely “coordinated”.⁹¹ We argue that the international analogue is the claim that conflicts of interest that would otherwise cause insecurity and instability can be removed through the process of economic development—a rising tide of prosperity washes away discord and animus, providing the basis for international cooperation and propagating the legitimacy of the system. Why disagree (or fight) if everyone is getting richer? As system leader, the hegemon is the lead patron and overseer of the development process within which is embedded, pursuant to the logic of difference, acceptance of a diversity of political models.

Like the logic difference, the “win-win” concept has its origins at the beginnings of China’s diplomacy with the 1954 Five Principles of Peaceful Coexistence, but specifically emerged in discussions about World Trade Organization accession in 1999 before “quickly becoming a favorite descriptor for bilateral relationships”.⁹² In what Breslin terms “asymmetric benevolent developmentalism”,⁹³ the logic of win-win is embodied in engagement strategies that focus overwhelmingly on economic relationships, transactions, and other commercial linkages, most prominently BRI, as well as the Asian Infrastructure Investment Bank (AIIB), and a thickening web of bilateral trade and investment relationships.⁹⁴ Leadership through economic engagement places developmentalism front and center of China’s argument for an alternative order: according to Rolland, “the common ground around which the community will coalesce is ... economic development,” while Wang writes that deepening international cooperation under Chinese leadership will provide “a solution for international conflicts by cementing common economic interests among the parties engaged in confrontation.”⁹⁵ In addition, if development is the pathway to security, China promotes itself both as a partner via

⁹¹ State Council Information Office of the People's Republic of China, “The Communist Party of China and Human Rights Protection -- A 100-Year Quest”, *Xinhua*, June 24, 2021, http://www.xinhuanet.com/english/2021-06/24/c_1310024904.htm

⁹² Brantly Womack, “Beyond win-win: rethinking China’s international relationships in an era of economic uncertainty,” *International Affairs* 89, no. 4 (2013): 911-928.

⁹³ Breslin, *China rising?*, 115.

⁹⁴ Callahan, “China’s ‘Asia Dream’”; Ikenberry and Lim, “China’s emerging institutional statecraft”.

⁹⁵ Rolland, “Beijing’s vision for a reshaped international order”; Wang, “China’s vision for a new world order.”

economic engagement, but also as a model of domestic economic organization worth emulating. Xi has termed China's domestic model as "Chinese wisdom" and the "Chinese approach," which provide "a new option" for developing countries seeking to accelerate their development while preserving their independence.⁹⁶

The logic of win-win departs from a liberal model of cooperation, in which regimes and institutions generate and disseminate information to the players to reduce uncertainty, converge expectations and ameliorate conflicts of interest embodied in games like the prisoners' dilemma.⁹⁷ To give theoretical form to the Chinese alternative, economic development creates "win-win" in the *literal* sense, by changing the payoff matrix and transforming the game from a prisoners' dilemma (or some other game with divergent interests, such as a coordination game) into a game of "harmony" where behaving cooperatively is the dominant strategy for all sides. The leading state plays a direct role in transforming actors' preferences into the harmony condition by promoting their development, primarily via its generous economic engagement strategy but also, according to Xi, by proffering a more effective model of a developmental state to be emulated. Beijing's efforts to facilitate the switch in diplomatic recognition from the Republic of China (Taiwan) to the PRC offer empirical support for this mechanism in action. For example, in El Salvador, which switched to the PRC in 2018, a major barrier had been "animosity from traditionally antagonistic business leaders of the conservative opposition party" which was mitigated with "promises of expanded and near monopolistic access to the Chinese markets".⁹⁸ China's economic

⁹⁶ Tay Hwee Peng, "19th Party Congress: 7 key themes from President Xi Jinping's work report," *Straits Times*, October 17, 2017; and Bonnie Glaser, "Is China proselytising its path to success?" *East Asia Forum*, January 11, 2018.

⁹⁷ Keohane, *After Hegemony*.

⁹⁸ Douglas Farah and Caitlin Yates, "El Salvador's Recognition of the People's Republic of China: A Regional Context," Institute for National Strategic Studies, Strategic Perspectives, No. 30. (Washington DC, National Defense University press, March 2019), 13.

engagement with Central American and South Pacific states has been the central pillar of their recognition campaign.⁹⁹

If security through development is the wellspring of the order's legitimacy, the structural parameters of interstate cooperation are established through what Xi terms "partnerships" which he describes as "a principle guiding state-to-state relations".¹⁰⁰ Cooperation does not occur through constraining (and Western-dominated) rules and institutions; the costs of constraining states' autonomy are viewed as greater than the gains from (institutionalized) coordination.¹⁰¹ Rather, states interact via non-binding and only very loosely institutionalized mechanisms of engagement and negotiation that allow for states "with different social systems and ideologies...[to] form partnerships based on shared interests and goals" according to Foreign Minister Wang Yi in 2017.¹⁰²

China's leaders have been much less clear on this point, but implied in this "**logic of partnerships**", we argue, is a shift away from multilateralism as an organizing principle for dispute resolution. Rather the emphasis is on *bilateralism*, or a limited unilateralism, that involves only the parties directly involved in a given dispute. There is no impartial adjudication or open multilateral process of dispute resolution.¹⁰³ Bilateralism is inherently discriminatory,

⁹⁹ Robert A. Portada, Steve B. Lem, and Uttam Paudel. "The final frontier: China, Taiwan, and the United States in strategic competition for Central America," *Journal of Chinese Political Science* 25, no. 4 (2020): 551-573; Jonathan Pryke, "The risks of China's ambitions in the South Pacific," Brookings Institution Global China Initiative, 20 July 2020: <https://www.brookings.edu/articles/the-risks-of-chinas-ambitions-in-the-south-pacific/>

¹⁰⁰ Xi Jinping, "Work together to build a community of shared future for mankind." For detailed overview of the use of the term "partnership" in Chinese diplomacy, see: Peter Braga, "China's partnership diplomacy and its approach to Eurasia," Mimeo, July 17, 2018: <https://web.archive.org/web/20210502054348/http://www.peterbraga.com/2018/07/17/chinas-partnership-diplomacy-and-its-approach-to-eurasia/>

¹⁰¹ The existing global trading regime is the notable exception, at least to the extent it enabled China's export-led growth model.

¹⁰² Wang Yi, "Work Together to Build Partnerships and Pursue Peace and Development," Remarks delivered to the China Development Forum luncheon, March 20, 2017, <https://www.mfa.gov.cn/ce/ceuk/eng/zgyw/t1448155.htm>. See also Yi Wang Yi "Speech by Foreign Minister Wang Yi at the opening of symposium on international developments and China's diplomacy in 2017", 10 December 2017: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/201712/t20171210_678651.html

¹⁰³ We note early moves by Beijing to build an arbitration mechanism to handle disputes arising in the course of BRI projects. It remains to be seen whether such mechanisms will resolve the credibility problem that would otherwise undermine private sector involvement, or whether such courts will more closely resemble their

insofar as it includes only those parties to the negotiation and any agreement applies only to them, thus differentiating, according to John Ruggie, “relations case-by-case based precisely on a priori particularistic grounds or situational exigencies.”¹⁰⁴ Unlike the logics of difference and win-win, the logic of partnerships does not have clear origins in China’s diplomatic history. Rather, we posit it as an implied but necessary residual principle which, although Beijing’s leaders do extol the virtues of “partnerships” to contrast with the US model of alliances, is much less appealing as an explicit leadership slogan given its realpolitik hues. The logic of partnerships does not exclude multilateralism entirely, and Beijing has worked to increase its influence within existing institutions like the United Nations, host numerous international meetings, and also lead newer institutions like the Shanghai Cooperation Organization and the Asian Infrastructure Investment Bank for the management of certain issue domains.¹⁰⁵ Nevertheless, in observed practice China consistently seeks to sideline multilateral mechanisms and elevate bilateral approaches over issues affecting core national interests, such as maritime sovereignty disputes in the South China Sea with various members of the Association of Southeast Asian Nations (ASEAN).¹⁰⁶

5. An Illiberal Hegemony?

How could this kind of order operate over time? Under what conditions might it attain some kind of equilibrium? We note two striking features of the model that we outlined in the

domestic counterparts: see Vivienne Bath, “Dispute resolution along the Belt and Road,” *East Asia Forum*, June 7, 2019; Tobin, “Xi’s Vision for Transforming Global Governance.”

¹⁰⁴ John G. Ruggie. “Multilateralism: The Anatomy of an Institution,” in John G. Ruggie, ed., *Multilateralism Matters: The Theory and Praxis of an Institutional Forum* (New York: Columbia University Press, 1993), 11.

¹⁰⁵ Ikenberry and Lim, “China’s Emerging Institutional Statecraft”; Zhimin Lin, “Xi Jinping’s ‘Major Country Diplomacy’: The Impacts of China’s Growing Capacity,” *Journal of Contemporary China* 28, no. 115 (2019); 31-46; Breslin, *China Risen*, 109-110.

¹⁰⁶ See, e.g. Huong Le Thu, “China’s dual strategy of coercion and inducement towards ASEAN,” *The Pacific Review* 32, no. 1 (2019): 20-36; Hoang Thi Ha, “From declaration to code: continuity and change in China’s engagement with ASEAN on the South China Sea,” ISEAS-Yusof Ishak Institute Report No. 5 (2019), https://www.think-asia.org/bitstream/handle/11540/9815/TRS5_19.pdf?sequence=1

previous section. First, as described it is not especially illiberal in its abstract form. While the three interlocking logics create space for illiberal politics at the domestic level, on their face they are both respectful of states' sovereign independence, and concerned with securing the legitimacy of the hegemon's leadership via provision of material benefits to states who participate.¹⁰⁷ Second, the major appeal of this type of model is its focus on development. For poorer countries whose highest priority is to modernize their economies and improve living standards, an explicit focus on their development may well represent a favorable contrast with a process- rather than outcome-driven emphasis on rules and institutions, providing an effective source of legitimacy.

It is, however, in the operation of this type of model where we postulate the illiberal form of hegemony would emerge, as a result of two important dynamics. The first stems from the reality that broad-based economic development is a lengthy and complex process, one that remains incomplete even within China itself as its economy struggles to overcome the middle-income trap. The logic of win-win relies upon the developmental success of multiple states to transform state preferences and create the condition of harmony, thereby achieving cooperative outcomes and securing support for Chinese leadership. Such economic success is, however, far from guaranteed as a factual proposition given how few economies have successfully reached high-income status. Yet broad-based economic development to raise national income is not the only pathway to preference transformation—an alternative engagement strategy is to focus on the co-optation of key elites that wield decisive political power—a narrowed “selectorate.”¹⁰⁸ If state preferences can be shifted through elite co-optation, this would represent a cheaper and faster, and therefore more feasible pathway to securing widespread support among the

¹⁰⁷ The marginalization of international civil society is arguably an inherently illiberal feature of the logic of difference and thus the Chinese model of hegemonic leadership.

¹⁰⁸ Bruce Bueno de Mesquita, Alastair Smith, Randolph M. Siverson, and James D. Morrow, *The Logic of Political Survival* (Cambridge, MA: The MIT Press, 2003).

community of states, just as it is an important contributor to authoritarian stability at the domestic level.¹⁰⁹

The implication is that those states most likely to be receptive to the logic of win-win are those with narrower selectorates. The empirical record of China's win-win approach of economic engagement in the developing world—in particular in the domain of infrastructure financing—offers corroborative evidence. Chinese financing is overwhelmingly based on debt rather than aid, and favors countries that are more corrupt, less democratic and have fewer constraints on executive power—a strong state model.¹¹⁰ A key feature of Chinese lending is secrecy, bypassing established lending standards designed to maximize transparency and minimize waste and harm.¹¹¹ Moreover, Chinese companies often operate in places with weak rule of law and regulatory enforcement.¹¹²

The “no strings attached” model, designed for speed and to empower recipient governments to act decisively accords with a developmentalist logic, but when practiced in transitioning states lacking fully robust mechanisms of transparency and accountability, often results in projects characterized by patronage, corruption, and waste, which benefit a narrow band of elite winners but are relatively less successful, overall, in generating broader economic benefits. Chinese lending in Sri Lanka, for example, enabled large infrastructure projects such

¹⁰⁹ Gerschewski, “The three pillars of stability”.

¹¹⁰ Axel Dreher, Andreas Fuchs, Bradley Parks, Austin Strange, and Michael J. Tierney, *Banking on Beijing: The Aims and Impacts of China's Overseas Development Program* (Cambridge, UK: Cambridge University Press, 2022), chapter 5. On the dominance of debt over aid, see Ammar A. Malik, Bradley Parks, Brooke Russell, Joyce Jiahui Lin, Katherine Walsh, Kyra Solomon, Sheng Zhang, Thai-Binh Elston, Seth Goodman. *Banking on the Belt and Road: Insights from a new global dataset of 13,427 Chinese development projects* (Williamsburg, VA: AidData at William & Mary, 2021). While it is the minority instrument, Dreher et. al. show that Chinese aid generally generates more positive outcomes.

¹¹¹ Sabrina Snell, “China's development finance: Outbound, inbound, and future trends in financial statecraft,” U.S.-China Economic and Security Review Commission, Staff Research Report, December 16, 2015; Anna Gelpern, Sebastian Horn, Scott Morris, Brad Parks and Christoph Trebesch, “How China Lends: A Rare Look into 100 Debt Contracts with Foreign Governments,” Peterson Institute for International Economics, Kiel Institute for the World Economy, Center for Global Development, and AidData at William & Mary, March 31 2021, <https://www.aiddata.org/publications/how-china-lends> .

¹¹² John Morrell, “Channelling the Tide: Protecting Democracies Amid a Flood of Corrosive Capital,” Center for International Private Enterprise, September 2018, www.cipe.org/resources/channelling-the-tide-protecting-democracies-amid-a-flood-of-corrosive-capital

as a port, airport and cricket stadium that brought political value to the country's rulers, but generated a poor rate of return.¹¹³ In Cambodia, Beijing has for decades intervened to provide military, financial and political support to a friendly regime, and encouraged Phnom Penh to adopt even more pro-China policies.¹¹⁴

Dealing with authoritarian governments (and their narrower selectorates) offers an environment that is “friendlier, more predictable and more-susceptible to Chinese influence,” with the result that Chinese engagement provides recipient governments “ways to strengthen and preserve their rule.”¹¹⁵ These political effects are not necessarily enduring; indeed, a government lost office in Sri Lanka in 2014 in part because of a public backlash against its closeness to Beijing. Nevertheless, the Center for International Private Enterprise describes Chinese loans as “corrosive capital” that weakens democratic foundations primarily because their secrecy precludes citizens from participating in government decision-making.¹¹⁶

With China now the largest official creditor to the developing world, we speculate that the illiberal consequences of the logic of “win-win” as a pillar of international order could, over time, thus manifest as an emergent property: smaller groups of political and economic elites are easier and cheaper to co-opt in polities where the rule of law, transparency and institutional accountability are already weak, and successful co-optation can mean the resolution of conflicts of interest that would otherwise arise if the recipient state's interests reflected a larger segment of its population. In other words, when the logic of win-win

¹¹³ Darren J. Lim and Rohan Mukherjee, “What money can't buy: the security externalities of Chinese economic statecraft in post-war Sri Lanka,” *Asian Security* 15, no. 2 (2019): 73-92. Others argue the strategic logic is more explicit—that “corruption is essential to the BRI. See Philip Zelikow, Eric Edelman, Harrison Kristofer and Celeste Ward Gventer, “The rise of strategic corruption,” *Foreign Affairs* 99, no. 4 (2020): 107-120.

¹¹⁴ Sovinda Po & Kearrin Sims, “The Myth of Non-interference: Chinese Foreign Policy in Cambodia,” *Asian Studies Review* 46, no. 1 (2021): 36-54. See also John Ciorciari, “A Chinese model for patron-client relations? The Sino-Cambodian partnership,” *International Relations of the Asia-Pacific* 15 (2015): 245-278.

¹¹⁵ Nadege Rolland, *China's Eurasian Century: Political and Strategic Implications of the Belt and Road Initiative* (Washington, DC: The National Bureau of Asian Research, 2017), 147-48; and Bader, “Propping up dictators?”

¹¹⁶ John Morrell, “What risks may lurk: China's investments and lending in emerging democracies,” Center for International Private Enterprise, April 2022, https://www.cipe.org/wp-content/uploads/2022/04/CIPE_WhatRisksMayLurk_20220404_V2.pdf

succeeds, it is more likely under conditions where a narrower slice of the recipient's society "wins," but wields the political power within a strong state model to restrict political participation and capture the policy apparatus. This elite then willingly offers its state's support for the emerging order, and the state's extensive cooperation with China imbues the overall system with legitimacy. We stress ours is a speculation regarding longer-term dynamics, but as Po and Sims write about Cambodia, "Beijing finds it easier to work with a pro-China authoritarian Cambodia than a democratic Cambodia, so it pursues a strategy of low-intensity regime-supportive interference to support Hun Sen in times of political contestation".¹¹⁷

This is not to imply necessarily that Beijing deliberately seeks to transform multiple domestic political systems into proto-authoritarian regimes—its efforts at international cooperation have been driven by its strategic interests, albeit in ways to safeguard its own domestic stability.¹¹⁸ Moreover, Chinese leaders consistently declare China will never try to impose its vision on others.¹¹⁹ However, extrapolating our argument, it would be a potential emergent property of the model—there are simply fewer hurdles in securing mutually beneficial deals when one is agreeing with a narrower segment of a state's elite, rather than seeking agreements that are acceptable to the broader population.¹²⁰ This will be even more true where there are severe conflicts of interests with the state in question, such as those based on historical or security factors, which create broad-based public hostility toward China as the aspiring hegemonic leader. In summary, we argue major strength of the China-led model theorized here—a developmentalist focus embedded in the logic of "win-win"—is most likely

¹¹⁷ Po and Sims, "The Myth of Non-interference."

¹¹⁸ Bader, "Propping up dictators?"; Georg Strüver, "International Alignment between Interests and Ideology: The Case of China's Partnership Diplomacy," GIGA Working Papers, No. 283 (German Institute of Global and Area Studies, Hamburg, 2016).

¹¹⁹ Breslin, *China Risen?*, 200.

¹²⁰ Moreover, accounting for China's belief in the superiority of its own political model (with its focus on state strength as the means to development), this outcome becomes even more likely. See Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42, no. 3 (1988): 427–60.

to manifest among states with narrowed selectorates and reduced political participation, such that economic engagement from the hegemonic leader benefits elites who are willing to throw the state's support behind the emerging order. This illiberal dynamic starkly departs from the liberal promotion of democratic governance and individual rights.

If the first implication of the theorized model is the illiberal consequences that may result from the operation of the logic of win-win, the logic of partnerships deals with the reality that not everything can literally be “win-win.” It is impossible to eliminate all conflicts of interest in world politics. There will always be cases where China's interests as system leader are fundamentally opposed to those of another state, and no amount of economic engagement and successful development can smooth over these differences.¹²¹

How then are conflicts resolved? Xi Jinping has said “[w]e should commit to settling disputes through dialogue and resolving differences through discussion”.¹²² Yet in a model of loose, informal, and primarily bilateral mechanisms of conflict resolution, the emergent property is that bargaining outcomes—both in the rule creation and rule-enforcement stages—become a function of specific state power advantages. In the absence of prescriptive institutional mechanisms that shape interactions and impose costs to limit arbitrary action, disputes will be resolved by localized competition, and those states with the necessary resources and resolve will prevail. Given its size, material advantages and range of instruments of statecraft available (including military, economic, and informational), China will likely enjoy the superior leverage to succeed more often. As with identifying the logic of partnerships, Beijing's actions in the South China Sea illustrate this dispute resolution dynamic. When the Philippines initiated legal proceedings in 2013, rather than fully engaging with that impartial,

¹²¹ Lin, “Xi Jinping's ‘Major Country Diplomacy’”, 43.

¹²² Xi Jinping, “Secure a decisive victory in building a moderately prosperous society in all respects and strive for the great success of Socialism with Chinese Characteristics for a New Era”, Speech delivered at the 19th National Congress of the Communist Party of China, 18 October 2017: http://www.xinhuanet.com/english/download/Xi_Jinping%27s_report_at_19th_CPC_National_Congress.pdf

rules-based mechanism, Beijing escalated unilateral actions to achieve de facto control, principally through constructing artificial islands, but also via lawfare, economic coercion, and grey zone activities.¹²³ After the Philippines won a legal victory in 2016, Beijing declared the ruling “null and void” and sought to delegitimize it, while taking further measures to cement control, including naming geographical features and creating administrative districts, and escalating its grey zone capabilities by passing laws to allow its large coast guard fleet to use force against foreign vessels in China’s “jurisdictional waters”.¹²⁴ Meanwhile, the one negotiating mechanism, a Code of Conduct with ASEAN states, appears far from completion, with China’s expressed negotiating position “reinforc[ing] the impression that Beijing is attempting to exclude extra-regional actors from engaging in the South China Sea”.¹²⁵

The logic of partnerships therefore also yields a model of hegemony with illiberal characteristics. As hegemonic leader, China is the principal sponsor of the order, providing (via economic engagement) the material resources and support for states to pursue economic development. Such engagement creates “win-win” opportunities for international cooperation. Nevertheless, where conflicts of interest persist, the system’s model of conflict resolution confers a key privilege to the system’s leader. With power relations resolving these conflicts rather than any system of negotiation and impartial rules and institutions, resolutions will disproportionately favor the hegemon.¹²⁶

¹²³ Oriana Skylar Mastro, “Chinese intentions in the South China Sea”, in Abraham Denmark and Lucas Meyers (eds), *Essays on the Rise of China and Its Implications* (The Wilson Center, Washington, DC, 2021), 331-358.

¹²⁴ International Crisis Group, “Competing visions of international order in the South China Sea”, Asia Report No. 315, 29 November 2021, 9-13, <https://www.crisisgroup.org/asia/north-east-asia/china/315-competing-visions-international-order-south-china-sea>

¹²⁵ International Crisis Group, “Competing visions of international order in the South China Sea”, 16.

¹²⁶ As acknowledged above, we do not deny the United States’ hegemonic leadership conferred privileges. Our theoretical claim is that the absence of institutional mechanisms that structure interstate interactions and purport to limit arbitrary action confer a baseline illiberal character on the emerging order.

6. Conclusions

For seventy years, the United States has presided over a hegemonic order with liberal characteristics, organized around security pacts, open trade, multilateral rules and institutions, and strategic partnerships—binding together the advanced industrial democracies. The great question that scholars are debating is: how will an increasingly powerful China seek to reorganize the rules and institutions of global order? In this paper, we argue that one way to begin to answer this question is to identify the logic and practices of an ideal type order that most closely reflects China's preferences and domestic character. If China were able to follow in the footsteps of the United States and build its own hegemonic order, what would be its key features and organizational logic?

This paper develops a theoretical strategy for moving past the notorious vagueness with which China's leaders speak about their preferred alternative order. Our first claim is that a hegemon's pursuit of order is shaped by both interests and practices. Hegemonic order is not just about projecting influence and dominating other states—it is about organizing international space in a way that both protects and reflects the hegemonic state's regime and way of life. However, China's order-building project faces an immediate challenge—the presence of an existing US-led hegemonic order that, while weakening, nevertheless poses a threat. For China, the order-building project must begin with eliminating the threat to its party-led authoritarian regime and state-led economy, and then shape an alternative supportive of its national interests.

We identify three pillars of an ideal type or model, which we theorize from assumptions about China's intentions and the statements of its leaders, combined with observations of how the Chinese state manages political order and economic organization internally, and the record of practice of Chinese statecraft to date. These three pillars are the logic of difference, the logic of win-win, and the logic of partnerships.

In the first instance, a hegemonic order built on these ordering principles is not straightforwardly illiberal. As China builds hegemonic order, it will need to do precisely what the United States has done: offer incentives to weaker and secondary states to join the order, and pair these benefits with a developmentalist aspiration to socialize them to accept the legitimacy of Beijing's leadership and the principles that underpin the alternative vision.¹²⁷ In our stylized model of a Chinese hegemonic order, the core hegemonic bargain will be an international version of its domestic "authoritarian bargain". That is, the order would acquire "performative legitimacy" arising from material benefits—individual states would enjoy stronger sovereignty protections (logic of difference) and Chinese-generated opportunities for economic gains (logic of win-win).

Our second claim is that the illiberal character in the Chinese hegemonic ideal-type model manifests over time as an emergent logic as the ordering principles play out. We argue that states with a narrow "selectorate"—such as autocratic and authoritarian states—will be more receptive to the Chinese way of hegemony. The "no strings attached" style of Chinese hegemony will be more attractive to states that do not want to operate in open and transparent forms of multilateral cooperation. In addition, the sorts of tools and resources that China brings to bargains with other states work particularly well with autocratic and authoritarian states, which are better suited to state-to-state deals that build relations between state enterprises, development banks, ministries, and oligarchic elites, rather than systems of pluralistic contestation, that receive robust contributions from domestic and international civil society, and which are open to working through multilateral institutions.

Second, the illiberal features of the order would emerge as states in the Chinese system struggled to cope with conflict. Unlike liberal international order, there are no formal principles

¹²⁷ Ian Clark argues persuasively that stable hegemonic leadership requires both material power and social acceptability. See Ian Clark, "China and the United States: a succession of hegemonies?" *International Affairs* 87, no. 1 (2011): 13-28.

and institutions in the Chinese model for dispute resolution. It is an ideal-type model based on the optimistic assumption that conflict can be washed away through mutual economic and developmental gains. But this assumption is unrealistic. When conflict does appear, the settlement will necessarily revert back to power politics. China will find itself settling disputes by exercising power and imposing order. The Chinese model does not formally discriminate against non-illiberal states, but its ongoing operation will evolve in this direction.

Our contribution is primarily theoretical: to propose and explore the logic and consequences of an ideal type; we have not sought to address how Chinese preferences will actually interact with the existing order. We therefore pose three questions that both highlight the limits of our contribution and embody an agenda for future research. First, how will the existing hegemonic order interact with an emerging Chinese model? Where core interests are not in conflict, Chinese leaders have expressed strong support for certain institutional mechanisms of cooperation (e.g. the United Nations) and even some binding rules (e.g. the WTO).¹²⁸ There is no single point at which Beijing starkly rejected the current order in its entirety and commenced on constructing an alternative. This suggests that our model may offer less insight into how the existing order may evolve, but rather describe the form a partial, but separate and rival, hegemonic order might take, perhaps aided by the process of economic, technological and informational decoupling.

How stable or conflict-prone would the twin orders be?¹²⁹ Will states need to make decisions to be in one or the other, or will Chinese and American hegemonic orders each be sufficiently open and low barrier-to-entry for states to be in both and/or toggle back and forth between them? Chinese and American hegemonic orders could evolve as exclusive “clubs,”

¹²⁸ In a 2014 interview Xi Jinping said that China was “a builder of, and contributor to” the global system. See Hoo Tiang Boon, *China’s global identity* (Washington DC: Georgetown University Press, 2018), 131.

¹²⁹ Kevin Rudd, “To Decouple or Not to Decouple?” Robert F. Ellsworth Memorial Lecture, University of California, San Diego, November 4, 2019, <https://asiasociety.org/policy-institute/decouple-or-not-decouple>

creating a sort of bipolar system of liberal and illiberal alignments; or they could be more like “public utilities,” where states can plug in and plug out of each hegemonic grid. But can such “toggling” be sustained if the dueling orders are premised not only on contrasting logics, but sustained through social practices and habits that embody sharply divergent domestic political and economic systems?

Second, for any type of Chinese hegemonic order to fully come into existence, what level of economic success will it need to achieve and sustain? The Chinese hegemonic model—perhaps more than the American model—depends heavily on China’s ability to offer an attractive and credible model of development. It will need to remain capable of using developmental assistance to forge partnerships with other developing states. Can China do this amid economic growth that is moderating or with a developmental model that has itself not yet reached high-income status? How will the long-term economic and psychological scarring caused by the Covid-19 pandemic affect the receptiveness of developing countries to Beijing’s alternative vision? Alternatively, could the resources required to sustain this model be constrained by, or perhaps contribute to, China’s own economic development challenges, especially those involving debt and the property market?

Finally, how powerful and stable is the “micro-logic” of Chinese-led partnership? As a stylized first cut, one simplification of the model is to imply a coherent and linear logic to Chinese leadership that the American experience patently reminds us will not manifest as such over time. Questions of long-term durability arise both internally and externally. First, from China’s internal perspective, do all three logics ‘hang together’ as essential pillars of their model, or will they prove to be contingent and therefore transient products of China’s position in the system? If, for example, Beijing ascends to become the sole dominant power in its region,

might it elect to impose a more intrusive and prescriptive form of hegemony, in which tools of coercion and control play a relatively greater role in its foreign policy?¹³⁰

Externally, our model of Chinese hegemony hinges on the ability of China to build a global order based on a sprawling and constantly shifting system of ad hoc, bilateral bargains. The American-led liberal hegemonic order is based on a more formal and institutionalized system of multilateral rules and norms, backed by a system of alliance partnerships. Our model of Chinese hegemony does not have this sort of ordering architecture. China would be running its hegemonic order directly through bilateral—and even personalistic—ties with a myriad of other states, using a large, but often fragmented and unwieldy bureaucratic apparatus.¹³¹ It would be an order organized around bilateral inter-regime ties rather than multilateral inter-state relations. Can such a hegemonic order be managed, and led, stably and coherently, over time, and how would it respond to shocks? Even were a trajectory of China’s hegemonic leadership to become clear, future theoretical and empirical research will need to grapple with how that trajectory might shift for both internal and external reasons.

¹³⁰ We thank both the journal’s editors and our referees for excellent feedback on this point.

¹³¹ Lee Jones and Yizheng Zou, “Rethinking the Role of State-owned Enterprises in China’s Rise,” *New Political Economy* 22, no. 6 (2017): 743-760.

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