

INTERNATIONAL AND STRATEGIC STUDIES REPORT

FEB 15, 2014



ISSUE. 5

Institute of International and Strategic Studies, Peking University

The Rise of China Will Be Integrated into the Existing International Order

By G. John Ikenberry*

My current writing plan is focusing on the power transition and the struggle for international order. I am to write a trilogy on international order, and I have published the first two books, which are "After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars" and "Liberal Leviathan: The Origins, Crisis, and Transformation of the American System". The last book, which will be published soon, builds its arguments on the basis of the first two books. In the first book, I argued that historically, most transition and game of international order occurred after wars. The second book is about the US's postwar policy. The

*G. John Ikenberry is the Albert G. Milbank Professor of Politics and International Affairs at Princeton University in the Department of Politics and the Woodrow Wilson School of Public and International Affairs. This article is a transcript of the recordings of Prof. Ikenberry's lecture on January 9, 2014 at the Institute of International & Strategic Studies (IISS), Peking University (PKU), without the author's review.

new book is tentatively titled "One World: the Rise of China and the Future of International Order", and its theme will focus on the rise of China and the change of international order in the process of the rise, which is also my topic today. To be precise, the power transition today is different from the past. What China needs and wants are different kind of order facing rising powers. This book will be theoretically distinguished from the works of renowned scholars such as John Mearsheimer, Peter Katzenstein, Robert Gilpin and Paul Kennedy.

Power pattern in the 21st century is different from the past. The liberal order established after World War II is also changing. The change of order that China's rise has brought is unprecedented, different from all previous ones. The new era will weaken the uncertainty that, according to the realists, caused by rise and fall of state power. I also disagree with the argument Katzenstein and other scholars put forward, that is, the rise of China and other emerging countries will bring a new value. Openness and acceptance of the rules are the consensus of the East and the West. Before asking my questions, I need to point out that the prerequisite of the discussion is that the power transition is taking place, a unipolar world is weakening, and the new pattern is not yet clear. My view on international affairs is that material basis of power is the fundamental thing, what is built on the basis is the relatively metaphysical political content, such as system, ideology and organization etc. This is a somewhat Marxist view. I also want to discuss the influence of international organizations on global affairs. Scholars like Paul Kennedy and Robert Gilpin believe that international organizations have been deep in crisis, and their influence has been seriously disrupted. Some scholars are more pessimistic on whether changes of the balance of power between

China and the US would maintain peaceful: when a major power declines, its role would break away from the role of international organizations and system, resulting in a "crisis of legitimacy" for itself.

Here come my questions. Are the discrepancies between the East and the West unable to overcome in a new round of changes in the balance of power? In what form will the new international order demanded by emerging countries appear? Is there more freedom? How exactly is the role of international organizations in the new international power pattern? I would also like to explore the discrepancies between China and the West in international order.

In my opinion, first of all, the new power transition will not cause fundamental changes in liberalism. Emerging countries will be more in the international system formed over sixty years after World War II, and will not challenge the system and the rules themselves. This is true for WTO, IMF and the nuclear powers club. The essence of international competition today is the competition of discourse power rather than fundamental oppositions like ideology or challenge to the international system. Conflicts are not about principle, but about redistribution of power in the existing international system. What is especially important is that the rise of China and other non-Western developing countries expand rather than shrink the dimensions of liberal internationalism.

To support this view, I need to refer to arguments in my last work, that is, the challenges China's rise facing is actually from the entire old order rather than just the US and Europe. The old order is a deep-rooted and complex order; it is a Western-centric democracy-freedom architecture, and is the world of Organization for Economic Cooperation and Development (OECD). Integration



into this system is very easy, but subversion of it is very difficult. Precedents of this are Japan and South Korea, and, in my opinion, the case of South Korea is particular interesting, because South Korea offers a paradigm of peaceful transition. It has successfully transformed from a country that receives the Official Development Assistance (ODA) into a country that offers ODA. Meanwhile, its intergenerational mobility is very high. Developed countries like the US are also facing problems like Intergenerational mobility.

It should be further noted that, from G7 to G20, from the "American Dream" to the "Chinese Dream", it is not the Western countries that become strong. As the international order is changing, new types of states emerge, which are neoliberal state, social democratic state and emerging state. In his recent work "Deng Xiaoping and the Transformation of China ", Ezra Vogel, Professor of Harvard University, mentioned that Deng Xiaoping actively borrowed the positive part of the capitalist economic policies from China's neighboring countries to promote China's own development, which proves that a positive liberal position is more favorable for China, as the old order China faces is different from the ones any previous rising powers faced.

Second, among many international liberalism proposals, openness and mobility are exactly what China has called for. Here I need to emphasize the influence of international organizations. I'm curious about China's view on multilateralism, for that China has a very special position - it is quite willing to work with international standards and integrate into the system on international affairs. On domestic affairs, however, it does not give in to the West's pressure and take the road of political transition. My prediction is that this pattern will continue to exist for at least 20 years. The reason that this situation exists is that the existing system can

protect China's national interests. Some scholars have pointed out from the perspective of international Maritime law that China navy will surpass the US navy and rise as the world's strongest sea power. In this realm, the existing convention on the maritime law and system of rules enable China to develop naval forces to obtain all relevant interests and status the US ever had. Yet it should be pointed out that China should strengthen development in other realms, so that other countries' attention on China's military force will be diverted, and China will not cause all the related conflicts and share the fate of the rising power in the traditional view. This kind of policy also applies in other realms, such as WTO. Some scholars have claimed that "rules are weapons of the weak". I think that the rules can also be utilized by powerful countries as a tool to gain their legitimacy in the international system and related interests in global affairs. China should strive for more discourse power in international organizations. This approach will not lead to other countries' doubts and rebound on China, thus is a wise choice. I might have different views on the idea of "US-China strategic distrust" jointly proposed by Professor Wang Jisi and Professor Kenneth Lieberthal. What I hold is that as China is now familiar with international rules, it would have a good performance in international organizations if it could properly apply the rules.

The "world" system theory and concepts were developed in ancient China. I may consider learning from them in my future studies. Comparing with what happened in history, the current power transition does not appear in a very aggressive form, and the situation of a single country's dominance will continue to exist for many years. The US has been thinking about the nature of the international order for a long time. Under its powerful appeal, other Third World countries actively participate in and consider



how to get their own interests under the auspices of the US and how to address global issues over the next 20 years through the consolidation of this system. But China, as a rising power, needs to become the founder of order through power shift. For the power shift and change within the system, China should have a corresponding gain and loss analysis.

Theoretically, we also need to further clarify the core principles of liberalism. When people refer to liberalism today, they speak of a view more similar to Locke's in the 18th century, that is, the emphasis on individual rights, natural rights, freer government etc. Yet liberalism's overwhelming victory in the world comes from its proposition on property and wealth protection. Liberalism is the theory created against possible violations of property rights by sovereignty in the historical development of Western Europe. The core of liberalism is the protection of property. This is not just a Western ideology, but is a necessary tool for any society where property rights exist. The socialist Harold Laski also holds a similar view. If we push this position to a more extreme point, it somehow coincides with Marx's.

In China, the newly emerging business class will make China more open to international liberalism. If we compare it with the generation of transnational capitalist class rose after World War II in Japan, such as companies like Sony, we will find something interesting. I think such a class will hail for and advocate international liberalism, as it will gain more investment opportunities and associated economic benefits from liberalism. In this process, the best approach in line with China's interests is to strengthen China's discourse power in IMF and other systems, or to strive for greater influence in leadership groups like G20, and to achieve the internationalization of RMB in the economic sphere. The first two

are the pursuit of political power, and can be compromised when necessary. The internationalization of RMB is of great importance, it means that China needs to take on more responsibility and obligations both internationally and domestically. China needs to make more efforts domestically to make RMB more internationally recognized and become a recognized reserve asset. Specific policy recommendations are that in this process, China should further regulate capital market, and maintain order in the capital market and stability of currency, so that the international community is more willing and more assured to invest in RMB.

I am unequivocally an advocate for liberalism. Yet the checks and balances come with risks. Great powers need to exercise restraint facing the risks. The core of Asia's problems is geopolitics, which is indeed somewhat similar to the international politics of Europe before World War II, and in the 19th century in particular. However, is the view, "history repeats itself", true? I tend to have reservations on it. Consider the Sino-Japanese relations and suppose we compare Japan's post-war strategy with Germany's post-war peace strategy. The reason that Germany tied itself with France lies in the historical context in that time. Japan did not have neighboring countries that could play a similar role, so it tied itself with the US. The US is actually like a France in Asia. Therefore, China should be delighted to see US-Japan alliance, because without this relation, Japan will be free from limits and become dangerous. What the Abe government is doing now is to break the limited situation and get more, which is heading in the opposite direction of Japan's post-war road to success. And Japan should try to reduce the impact of historical issues, and find ways to solve but not to exacerbate historical problems. Perhaps the ultimate way to save the situation is to ask the emperor himself to visit China and South



Korea. But this might be the last resort on diplomacy, so the right opportunity would be very sensitive and difficult to seize.

Based on the above views, my core conclusion is that the objective of China's rise is more probable to become integrated into the core of global order, but not to overturn the order from outside. The way China is now leading might be the only way for any country that wants to rise under the new situation. A Wall Street Journal columnist recently pinpointed that China, Russia and Iran are "revisionist states", which means they do not agree to the existing international order, and have fundamental conceptual conflicts with liberal democratic states. But I want to point out that, just as my new book's tentative name "One World" indicates, global affairs are not necessarily divided as "two worlds" or "three worlds", and China is quite likely not to head towards confrontation with the old system in the future.

Prepared by Chen Yuhui, Proofread by Yu Tiejun and Edited by Dr. Gui Yongtao

Tel: 86-10-62756376

Email: iiss@pku.edu.cn

Fax: 86-10-62753063

Web: www.iiss.pku.edu.cn

Address: IISS, Peking University, Beijing, China