

Reforming Global Governance System and Reshaping 21st-Century International Order^{*}

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Since the beginning of the 21st century, the further deepening of globalization has made the global governance system an increasingly important gauge under which all countries engage in competition, manage bilateral relations, address universal challenges and reshape the international order. Yet the rise in stature is no vaccine for the globalization viruses, typified by the accumulation of global systemic risks in the economic and political landscape, the intensification of geo-political chess matches, the widening of wealth gap, the worsening of environmental conditions, and the upwelling of anti-establishment, anti-globalization populism. Having been up and running for 70-odd years since the end of World War II, the workhorse of global governance finds itself sinking in the quicksand of disorder and fragmentation. It will take an exhaustive institutional reform to adapt global governance to the balancing of world power and the challenges of reshaping the 21st-century international order.

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The spasmodic crisis of Western-led global governance, coupled with the expanding influence of China, provokes considerations of how to reform the global governance system – on the basis of major-country cooperation rather than zero-sum competition – so as to promote the neat reshaping of the international order and race against time to build a peaceful and prosperous world.

The inequality and irrationality of global governance system has been fully unmasked in recent years. Reforming the system and reshaping the international order mean no less to China – albeit it thrives on the current mechanism – than to the rest of the world. Adopting a non-aligned policy, China opposes the way that the winner takes it all and the international relationship network based on military alliance; instead, it has proposed a diametrically different solution – “global partnership network” based on win-win cooperation.

Being totally different from the US-led global military alliance network, the idea of global partnership sets the stage for reforming the global governance system and reshaping the international order. China has thus far struck strategic partnerships in various forms with over 70 countries. In a move that crystallized the idea, it proposed in 2013 the well-received Belt and Road initiative (B&R).

No longer is it appropriate to divide the world into four hemispheres. No longer do global issues, such as climate change, energy security and cyber security, give birth to camps of developing or developed countries, but to ad hoc coterie brought together by immediate interests. Nevertheless, when it comes to reforming the global governance system and reshaping the international order, geo-economic and geo-political games are hard to avoid.

There are two turning points in China’s proactive, intensive engagement in global governance over the past dozen years. The first is the 2008 financial crisis, when G20 replaced G7/G8+5 as the “premier forum” for addressing global economic issues.

The crisis thrust China onto the world’s center stage; everything it did and every word it said caught the eyes and ears of international audiences. As a global power, China was obviously aware that leading at a time when global governance hung by a thread served the interests of not only itself, but also the entire world. A deep

sense of participation and responsibility overpowered the country like never before.

The second turning point is the end of 2012, when the strategy of “major-country diplomacy with Chinese characteristics” was proposed and implemented by the CPC under the leadership of President Xi Jinping. A review of China’s diplomatic achievements since the 18th CPC National Congress speaks volumes for the influx of global commons carrying indication of national identity – Chinese resources, Chinese thoughts and Chinese proposals – to the global governance system. China’s timely gambit showcases the extent to which the proven experience in governing a great power with a population of nearly 1.4 billion can be applied to the world. That also explains the universal expectation for China’s hosting of 2016 G20 Summit.

China’s steady growth is as conducive to global peace and prosperity as the world’s future is relevant to the great rejuvenation of the Chinese nation. Global governance, hence, has a direct bearing on China’s fundamental and long-term interests. In the new century, the deepening understanding of global governance prompts the country to play a proactive and pioneering role in reforming the system and reshaping the international order. Its forward-looking strategic considerations of the world are highly aligned with the national development strategies.

China, like the rest of the world, has increased its understanding of, and involvement in dealing with, global governance challenges, including sustainable development and low-carbon economy. That has something to do with China’s rising status and deepening insight in the “community of common destiny for mankind”. As global governance has long been dominated by the West, what lies ahead is a bed of more nails than roses. Nevertheless, China’s rise is an irresistible historical trend. It is institutionally, methodologically, theoretically and practically prepared to take the challenges in stride.

From 2015 onwards, China’s relevance to global governance has been undergoing earthshaking changes. First, China is ranked third in assessed share of UN budget (8%), and second in that of UN peacekeeping costs (10%). Second, the Renminbi has been added to

IMF's special drawing right (SDR) basket. Third, China gets greater voting power at the IMF and World Bank. Fourth, new international financial institutions established at the instance of China – the Asian Infrastructure Investment Bank (AIIB), Silk Road Fund, and New Development Bank BRICS – have come into operation. In some of the success stories, there is no shortage of twists and turns. At the end of the day, China earns the acknowledgement and endorsement of Western powers. The US Treasury Secretary has recently shared the country's stance in his essay, *America and the Global Economy*, in the *Foreign Affairs* magazine.

Global governance is essentially an approach by which strong countries carry out internationally valid interventions on behalf of those in need. China's intensive engagement and significant breakthrough in global governance coincides as much with its rise in comprehensive national strength and international prestige as with the mismatch between the honeycombed global governance pattern and the globalization process and balancing of world power. By the same token, the historic transition from Western-dominant to Eastern-Western joint governance overlaps with the accelerated reshaping of the international order.

The historic transition is characterized by a U-turn in terms, for China, of who governs who and, for emerging economies as a whole, of who benefits more from the reshaping of the international order. It opens up strategic opportunities for China to head global governance and create a favorable international atmosphere for national rejuvenation. While giving the country a greater say and sway in world affairs, it triggers the redistribution of interests and injects more complexity and uncertainty in the relations of great powers.

The current global governance challenges are three-fold: first, the emergence and outbreak of globalization viruses; second, the disorder and fragmentation of a global governance system ill-adapted to the changing situation; third, the lack of enthusiasm and framework, due to geo-political concerns, for major-country cooperation. The dizzy onward march of globalization has brought not only peace and prosperity since the end of World War II but also an unprecedented set of global challenges. The world is caught in the fiercer jostling between anti-globalization and re-

globalization.

In 2013, Ian Goldin, former vice president of World Bank, listed in his book, *Divided Nations*, five new 21st-century global challenges: finance, pandemics, cyber security, migration, and climate change. In addition to these, global challenges include the proliferation of nukes and other weapons of mass destruction (WMD), energy security, and food security.

But we have no fear. Each historical stage has its own problems, and it is time for the international community to look for universal solutions to global challenges. Major powers, in particular, should pitch in to develop or amend rules and reorient the global governance system towards the changing situation. In fact, at the helm of world affairs is never the international community, but coteries comprising sovereign states and other players with shared concerns or interests. Then how to reform the system and build a more equitable and rational international order? What role should the major-country diplomacy with Chinese characteristics play if China is to head the process?

The author will try to answer the questions from three perspectives as follows:

I. MAJOR-COUNTRY CONSENSUS AND COOPERATION AS THE BASIS OF GLOBAL GOVERNANCE

Global governance, which covers all aspects of world affairs, refers to the institutional arrangements by which to develop, and supervise the implementation of, international rules, and reward or punish accordingly. Its success hinges on a global agreement based on major-country consensus.

For want of a “world government”, the global governance system, with the UN and its specialized agencies as the core institutions, is in the closest proximity to a global agreement. Reinforcing the authority and efficacy of the UN System is, therefore, a premise for global governance. “Sovereign equality” and “one vote for each member of the General Assembly”, as stipulated in the UN Charter, reflect as much the democratization of international relations as the difficulty in reaching a global agreement. Given the

UN's lack of efficacy in global governance, G20 needs to act as a steering committee to lead major powers and coteries to a common ground. Meanwhile, G20 should keep on the right side of the UN, otherwise its validity would be questioned. An insufficient sense of ownership and participation might set small and medium-sized countries against G20 resolutions, even if such resolutions are in their own interests. One example is the boycott of the Copenhagen Accord – struck by over 20 major powers, UN agencies and other regional organizations – at the 2009 UN Climate Change Conference.

During the last 70-odd years after the end of World War II global governance was largely plain sailing, with a full suite of mechanisms – in economic, political, security and social terms – brought into shape. Now come the treacherous headwinds. In the transitional process, an international covenant could be catalyzed by nothing less than a global crisis (e.g., regional or global financial crisis, nuclear crisis of Iran and Korean Peninsula, energy crisis, and climate change). Nevertheless, as soon as the tension eases, differences will override mutual understandings of major powers and coteries.

Enhanced mutual understanding and political will of major powers are the *sine qua non* of analyzing and addressing global governance challenges. Particularly crucial is the cooperation between China and the US.

Take finance for example. The dollar-centric international monetary system is riddled with flaws, yet a reform backed by China among other developing countries, a consistently and disproportionately underrepresented force despite a growing economic and political stature, is no mean feat.

In 2015, China's GDP grew 6.9% to nearly US\$11 trillion, and its GDP per capita to approximately US\$8,000. Its foreign exchange reserves remain high at US\$3.2 trillion. According to the 13th Five-Year Plan, China will have developed into a moderately prosperous society in all respects by 2020, with a GDP twice as much as in 2010, and a GDP per capita of over US\$12,000. That means it stands to avoid the middle-income trap and hit the World Bank's high-income list.

At present, the US and China account, by exchange rates, for 23% and 14% respectively of global GDP. On a purchasing power parity (PPP) basis, the figures are 16% for the US and 17% for China (Hong Kong factored in). The global financial system, however, shows a different picture: The US as well as countries with dollar-pegged currencies represent some 60% of global GDP and population alike. The economic and financial impacts of globalization are out of proportion. Despite the fact that developing countries have contributed as much as 40% to global GDP, the dollar-centric system remains unchanged and the American exceptionalism still prevails. Wall Street's investment banks take up half of the global markets, and US fund managers run 55% of the world's assets under management.

The dollar-centric system is frowned upon by many countries for the following three reasons:

First, dollar hegemony is no antidote to global imbalance. Trade surplus with the US has made China the constant scapegoat for global imbalance while sowing dissension among the Eurozone, playing off the aggrieved Southern Europe against Germany and Northern Europe.

Second, the alternating US monetary policy and dollar cycles keep the pendulum of global dollar liquidity swinging between surplus and crunch. Surging dollar inflows and outflows are equally detrimental to the financial stability of developing countries and the composition of the system itself. A strong dollar since 2H15 has touched off capital flight, currency devaluation and fiscal woes in Brazil, Russia, Indonesia, Malaysia and Turkey.

Third, the system is inequitable and ill-balanced. The dollar remains the major investment, payment and reserve currency, reduced as it was to a banknote reliant on state credit after President Nixon terminated its convertibility to gold and brought the Bretton Woods system to an end in the 1970s. Coming into existence in 1999, the Euro has fallen all the way to the brink of collapse due to the faltering process of European Integration and the Eurozone debt crisis. The yen is yet to get over the shock of the 1985 Plaza Accord. The pound, though stable, is a peripheral currency. The Renminbi, by contrast, has been well on track to becoming

an international currency in recent years. However, it took an infinitesimal 2.79% share in global payments, for all its fourth position among payment currencies as of the end of August 2015.

The dollar has an international as well as national role, yet the dollar policy, be it strong or weak, is made by no other country than the US. Reforming the dollar-centric system is, hence, essential to maintain global financial stability. However, US reluctance to share its cheese sets other major powers at variance over the reform.

Global imbalance, erratic capital flows and widespread dollar dependency have existed since the very beginning of the dollar-centric system, and the 2008 financial crisis was just the first wake-up call. A pluralistic international monetary system marked by multi-currency pricing for bulk commodities is an inexorable trend. Following this requires small, yet steady, steps towards redistribution of interests and major-country consensus.

Among the best examples of major-country consensus and cooperation against global challenges are the first two G20 Summits on the heels of the 2008 financial crisis. At the summits, China and the US, the representatives of developing and developed countries, worked closely to expand the IMF's relief fund, establish G20 as the premier forum for global economic governance, and enhance monitoring of banks of global systemic importance. Such efforts led to significant achievements of G20 and historic changes in the financial system. Unfortunately, subsequent summits, like many other powwows, were embarrassed by "deliberations without decisions" and "words without actions", as major powers no longer shared the same priorities and were inclined to put national interests above international wellbeing. That is why China and the US, among other G20 members, are widely anticipated at the 2016 Summit to agree and act to bolster world economy.

II. CHINA'S CLOSE RELEVANCE TO GLOBAL GOVERNANCE

Global peace and prosperity is indispensable for the great rejuvenation of the Chinese nation. China should take a comprehensive, exhaustive look at global governance, reconsidering the significance of global governance in major-country diplomacy

with Chinese characteristics, and making timely adjustments to its approaches and policies by which to head global governance.

The image of a poor and weak China is long gone; knowingly or unknowingly, it is playing a pivotal role in global governance. It is an indisputable fact that China's domestic and foreign policies have pronounced spillover effects, or externalities, on international relations and global governance. The 2015-16 turbulence of global stock and foreign exchange markets proves that a single spark in the country can quickly start a large fire around the world. Under new conditions, world affairs should be observed and analyzed through the brand-new lens of global governance, and foreign policies developed and adjusted in identical fashion, as required by major-country diplomacy with Chinese characteristics.

“From a ‘new’ starting point and under ‘new’ conditions, China is striving to achieve the dream of national rejuvenation.” President Xi Jinping has judiciously described what is happening in the country with two “news”. Likewise, major-country diplomacy with Chinese characteristics should accept a new idea – all countries are interdependent in the globalization era – and assume a new responsibility – building a community of common destiny and interests for mankind.

Security and economy are what all countries care about most. The two interrelated and interactive factors constitute the core of global governance.

National security is contingent on international stability, and especially on the amity of major powers. Global security governance, therefore, has a large stake in it. Based on theories of international relations, the geo-economic and geo-political balance or equilibrium of major powers is both the basis of international stability and the *terminus a quo* of global security governance.

In the new century, China acts as the prime mover behind the democratization of international relations and the global partnership network based on win-win cooperation. In the implementation of major-country diplomacy with Chinese characteristics, top priority is given to a new model of China-US relations featuring “non-conflict, non-confrontation, mutual respect and win-win cooperation”.

Actually, conflictual cooperation has been the leitmotif of China-US relations in recent years. The occasional flare-ups are, through the lens of global governance and international order, easily imputed to the flawed attitude towards China's rapid development. The US blows hot and cold about whether to treat China, its strategic rival, as a friend or a foe. As an established power, it needs to consider China's rise an irresistible historical trend and adjust its policies accordingly.

For a long time, such adjustments have taken the form of "cooperation and hedging" for a "peaceful evolution", that is, folding China into US-led international systems and global governance framework, and promoting, in the globalization process, evolution in China's political structure towards an Americanized one.

The cooperation part of the two-pronged approach comports largely with China's intention to thrive on the current mechanism. However, its wish to change the inequitable and irrational arrangements in the system runs counter to US hegemony and vested interests. The growing concern about being overtaken by China in the globalization process spurs the US to tamper with the rules of the game.

Meanwhile, the US is obsessed with converting Chinese politics into a spitting image of its own. "At the core of the ongoing controversy over international order lies the tension between China and the US, and at the core of the tension lies the mismatch between China's desire to maintain national order under CPC rule and the US push for a liberal international order led by itself,"¹ said Prof. Wang Jisi in his essay, "'One World, One Dream' – China and International Order". The strategic mismatch results in the constant vacillation of China policy. Anxious about China's sustained development and expanding influence in recent years, the US has taken a tough stand, resorting to restriction, rebalancing, and even containment in addition to cooperation. It harbors serious misgivings about, and sometimes overreacts to, China's military modernization and, in particular, defense of sovereignty over the South China Sea.

The bone of contention over China policy is how to keep the

two prongs flush. Vacillation can be seen in not only bilateral strategies, but also global governance tacks.

As the leading voice in global governance and international order, the US should have allowed China a commensurate voice and decision-making power rather than behaving like a knee-jerk naysayer about whatever initiative the latter proposes. It is not until a while later that the US reluctantly relents on the Renminbi's inclusion in SDR and AIIB's establishment. For an established power, timely adjustments are as painful as miscues in the process are unavoidable. It takes a truly great nation to give emerging ones a fair shake.

As a matter of fact, not a few established powers in modern history have bet on the wrong horse of "conflicts and confrontations". Albeit the interweaving of interests and interdependence of economies is minimizing the likelihood of military confrontations in the globalization era, the temptation of devastating modern weapons is still haunting. All countries are, hence, craning their necks to see whether China and the US are wide and able enough to escape the Thucydides Trap.

So far, leaders of both sides have made it clear that there is no Thucydides Trap between China and the US, yet it will take time to turn high-level commitment to peaceful and steady development into concrete actions. The US recent entry, in the name of "freedom of navigation", into airspace and seas around islands and reefs within China's sovereignty is just one example of its overreaction to China's growing military clout and overall strength.

In early 2016, the two countries compared notes in their respective capitals on North Korea's latest nuclear test. Consensus was reached on the new resolution of the UN Security Council, including a balanced package of sanctions and appeals for talks. The Korean Peninsula nuclear issue is vital not only to China's relations with the US, North Korea and South Korea, but also to the maintenance of global nuclear nonproliferation regime as a part of global security governance. Mutual understanding and close cooperation between China and the US is, therefore, highly appreciated.

With a global mindset, China hopes both countries can avoid

repeating past mistakes and follow the path of peaceful coexistence and win-win cooperation under new conditions. So it envisages the new model of China-US relations, which arguably hits the bull's-eye on bilateral ties.

In recent years, China has vigorously deepened its ties with middle-ranking powers (Australia, Canada, France, Germany and the UK), BRICS countries (Brazil, Russia, India and South Africa) and regional heavyweights (Argentina, Indonesia, Nigeria and Turkey). Such diplomatic achievements speak volumes for China's new vision of "joint governance of the world by major countries", and at the core of such vision lies the global partnership network based on win-win cooperation.

The vision sank in during President Xi Jinping's visit to three Middle Eastern countries (Saudi Arabia, Egypt and Iran) in early 2016. As he told the Arab League, "Instead of looking for a proxy, China promotes peace talks; instead of seeking any sphere of influence, China calls on all parties to join the circle of friends for the Belt and Road initiative; instead of attempting to fill the 'vacuum', China builds a partnership network for win-win outcomes."

The new era calls for new modes of international cooperation. All countries should abandon the zero-sum mindset and follow the path of shared growth and prosperity. In the meantime, more Chinese thoughts and Chinese proposals need to be contributed through diplomatic efforts to an innovative mechanism for global governance.

B&R, among other Chinese proposals, aims to connect the East Asian Economic Rim through several economic corridors to the European Economic Rim, bringing into shape a trans-regional, cross-sectoral partnership network which transcends ideological differences. It will reshape the international order and lay the foundation for global peace and prosperity in the new century.

China's sketches of new modes of international cooperation and global partnership network have caught the curious eyes of Asian and European economies among other developed and developing countries along the routes. As B&R and Eurasian Economic Union lock themselves in an embrace, as China and ASEAN usher in a "diamond decade" for free trade zones (FTZs) along the

Maritime Silk Road, China-Pakistan Economic Corridor, “16+1” Cooperation (between China and Central and Eastern European countries) and other diversified modes of regional and trans-regional cooperation are bound to fructify.

As global governance has penetrated into every corner of international relations, so does the handling of multilateral affairs deserve a larger share in major-country diplomacy with Chinese characteristics. China should go into depth on global governance and enhance the comprehensive planning and coordination of international affairs with a cosmopolitan mindset. The deepening of global governance is linked closely with the pluralistic contents and subjects of international affairs. In mulling and making foreign policies, China should manage to sort out the interwoven interests.

The 2008 financial crisis was a watershed in global governance, which plunged into chaos after a “golden decade” of globalization and world economic growth. The crisis spelled the death knell of neoliberal economic theories and economic policy prescriptions of the Washington Consensus, and fueled the rivalry between globalization and anti-globalization in the new century. As the current mechanism has exhausted its potential, global economic governance needs new ideas, new modes and new drivers. China’s decades-long boom serves as a valuable source of proven governance experience readily available for all countries and especially the developing world.

New conditions have endowed China with new missions. The country is expected not only to sustain its growth and drive the world economy, but also to head global governance. Major-country diplomacy with Chinese characteristics is facing historic opportunities and unprecedented challenges.

China may take a page from G20’s playbook to expand and innovate on diplomatic efforts.

During the inaugural summit in Washington at the end of 2008, major economies put their heads together over the unexpected financial crisis. At the London Summit in early April 2009, China pledged to buy US\$50 billion of the first IMF bonds, playing an indispensable role in expanding the IMF’s relief fund and boosting global economic confidence. At the Pittsburgh Summit later that

year, it was decided that G20 would replace G7/G8+5 as the premier forum for global economic governance. The historic change thrust China, a core member of G20, onto the world's economic and political center stage, after the country secured its leverage in political security as a permanent member of the UN Security Council and a nuclear-weapon state recognized by the Nuclear Nonproliferation Treaty.

At the 2015 Antalya Summit, President Xi Jinping announced the theme of the Hangzhou Summit as “Towards an Innovative, Invigorated, Interconnected and Inclusive World Economy”. The theme squares with the commitment to improving economic and financial governance, promoting international trade and investment, and realizing inclusive and interconnected development by helping the world break a new path for growth.

With G20 at a critical juncture in its shift from a mechanism for crisis response to one for long-term governance, expectations from a stubbornly sluggish world have saturated China's hosting of G20 Summit. The country is anticipated to combine the strength of G20 members to revitalize the world economy and further global governance reform.

Global economic restructuring is a topic of concern for G20 members among others. While sharing its proven experience in reform, China should put foreign policy-making in the context of global governance.

As the globalizing world is morphing into a community of common interests, an unequivocal mechanism is needed for coordinating financial, fiscal, monetary and trade policies under the guidance of G20 Finance Ministers and Central Bank Governors. Major countries should enhance transparency of their macro-economic and macro-financial policies and avoid negative spillover effects of the same on other countries.

In search of new drivers, emphasis should be placed on supply-side adjustment and reform as well as on stabilization of aggregate demand. To match new products with new customers and new markets, neither the visible nor the invisible hand may be left idle.

Innovation is an inexhaustible wellspring of new drivers. If China is promoting innovation-driven development, accelerating the shift

from old to new drivers, and pressing ahead with economic reform so as to adapt to and lead the “new normal”, why don’t other G20 members follow suit?

III. CHALLENGES OF GLOBAL GOVERNANCE REFORM

The balancing of world power, the advent of the fourth industrial revolution, and the commitment to putting the world economy on a stable track and building an international order which accommodates the interests of all, make it imperative to systematically reform the global governance system, whatever the challenges and the scale of the task. G20 members are expected to play an exemplary role in the following ways:

First, to restructure global economic governance. Only with the IMF, World Bank and WTO, the Big Three of the current system, as its direct reports can G20 ensure the effective implementation of high-level agreements and prohibitions.

Second, to adapt old models to the new situation. It is not the developing countries, but the intrinsic flaws of the global economic system and the exhausted potential of traditional models that should be blamed for the imbalanced world economy. New growth patterns and new international cooperation models are, hence, wanted.

China is ready to contribute new impetuses and new initiatives to global economic balance. B&R, among others, sets its eyes not only on domestic economy and excess capacity, but also on regional and trans-regional development and strategic integration. Under B&R’s framework, AIIB is intended to boost, through sharing of development experience, capital and technology, infrastructure construction and economic growth of countries along the routes. Along with the Silk Road Fund, it will channel public and private capital into a number of infrastructure and industrial park projects, spurring mutually beneficial and complementary bilateral/multilateral capacity cooperation.

“Innovative, coordinated, green, open and inclusive development”, a new concept put forward in the 13th Five-Year Plan, is to be included in policy suggestions for G20. China welcomes developing

and developed countries alike with open arms, and looks forward to extensive, win-win partnerships on a global scale.

Third, to diversify the international monetary system. While the US dollar remains the major reserve currency, the Euro, the pound, the yen, the Renminbi, the ruble, the rupee and the Brazilian real will see a higher share in a pluralistic system. In particular, the Renminbi and the ruble will be gradually adopted as pricing currencies for bulk commodities. Eyeing a more diversified and dynamic international financial landscape, the system should nurture the nascent regional and trans-regional financial institutions and arrangements, including the AIIB, New Development Bank BRICS, BRICS Contingent Reserve Arrangement, Silk Road Fund, and Bilateral Swap Arrangements under Chiang Mai Initiative. Since foreign holdings of US Treasuries account for a whopping 60% (US\$6.2 trillion), the US and other major economies with huge dollar assets should ensure the security of overseas dollar pools so as to reduce the spillover effects of Federal Reserve's policies.

Fourth, to integrate global economic governance models and especially the FTZ arrangements. Free trade lies at the core of the world economy. Contradictions among the current 450 bilateral and multilateral free trade agreements and arrangements in the world need to be eliminated.

Among them, the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP) have much to do with investment environment and domestic policies of various countries. Both treaties, however, deliberately exclude China and other developing countries for geo-political reasons, posing a threat to the coordinated development of the world economy. The Regional Comprehensive Economic Partnership (RCEP), China and ASEAN's answer to TPP and TTIP, will account for 30% of global GDP after its likely conclusion in 2016. G20 and the UN should at least try to accommodate the rival pacts. Only by working together can the international community find a universal solution to global issues.

In short, major-country diplomacy with Chinese characteristics is linked closely with China's further engagement in the implementation and reform of the global governance system.

Global governance deserves a larger share in China's diplomacy. The country should consider global governance from a multi-directional, instead of omni-directional, perspective, and develop a complete set of theories with Chinese characteristics.

The zeitgeist puts China at the helm of global governance. Three things can be said for sure: China will play an increasingly important role in global governance; global governance will take a larger share in China's diplomacy; and China needs as many talents in international rules and negotiation as possible.

¹ Wang Jisi, "'One World, One Dream' – China and International Order", *China International Strategy Review 2015*, Beijing: World Affairs Press, 2015, p. 11.