

China and International Order

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My remarks are on China and international order – that is to say, how China’s ruling Communist Party is trying to shape international order so that it no longer favors constitutional democracies with market-based economies but instead comes to favor its own regime, which it calls “Socialism with Chinese Characteristics.”

The famous international order that the United States, Great Britain, and other democracies set up after the Second World War deliberately had a liberal-democratic bias. It was designed to protect constitutional self-government in core industrial countries after the traumas of 1930s and early 1940s, that is, the Great Depression, the rise and spread of fascism and communism and the corresponding weakening of democracy, and the war itself, which Nazi Germany came close to winning. The liberal bias in the Anglo-American postwar project is reflected in the name we give it: the “liberal international order.” The order was a concrete application of the Atlantic Charter, in the form of international rules

and institutions and a new role for the United States as what John Ikenberry calls the “liberal leviathan.”

Early on, the liberal international order achieved its goals through what John Gerard Ruggie calls the “embedded liberalism” of the welfare state. From the late 1970s, the order shifted to what some call “neoliberalism,” a less regulated type of market economy. Notwithstanding the shift in types of liberalism, or perhaps because of that shift, the order worked as designed for several decades. It did help preserve liberal democracy in Western Europe, North America, and Japan (although it did little until the 1970s to spread democracy to other regions); it played an important role in the end of the Cold War and the collapse of the Soviet Union. It has not worked so well in recent years, however, and is in need of reform. That is a topic for another time.

Our topic is China. Since the 1980s, China has moved more and more deeply into this liberal international order, although it has never been at the center of it. And China has done very well by doing so. Its global rise is due in large part to its joining the international trading regime, becoming an exporting juggernaut, and accepting vast amounts of foreign direct investment (although under restricted terms that allow for technology transfer). But the Communist Party’s leadership is keenly aware of liberal bias of the international order and wants to be rid of it. As long as the Party insists on keeping in place China’s domestic regime, which entails a monopoly on power by the Party, the liberal international order handicaps and humiliates China.

We can think of the international order as an environment that, in evolutionary fashion, selects for certain domestic practices and traits in countries – just as the natural environment selects for certain traits in organisms or populations. And, just as in the

natural world, organisms sometimes manipulate their environment to the point that they alter what traits that environment selects for – that is, just as animals can sometimes steer evolution in a different direction – states can steer domestic regime evolutionary pressure in a different direction. In fact, that is what the United States did after the war: it decided to abandon its relative isolation and to manipulate the international environment so that it would select for liberal democracy. It was evident that in the 1930s the environment had selected for authoritarianism; in the late 1940s America set out to change that.

Seeing international order in this coevolutionary way helps us see the dilemma that the liberal international order has imposed on China: if any state is going to flourish fully, to maximize its growth and influence and power, it needs to be a liberal democracy. A China that defies this pressure will be handicapped. It might never catch up to the United States, at least in terms of international influence. International order, in other words, is not neutral with respect to how countries order themselves domestically.

But what do I mean by the international environment? It is complex, to be sure, but it includes *international rules* and institutions; *other states* and their relative power and regime types; and *information*, particularly about which policies and institutions work and which ones do not. To take each briefly in turn:

1) *International rules*. An important example is in the realm of human rights.

These rights are not just symbolic; defying them can bring heavy costs. After the Tiananmen Square massacre of June 1989, Deng Xiaoping and other Party leaders were surprised at how long Western sanctions endured. They concluded that maintaining China's domestic regime while remaining open was going to be very difficult. Deng insisted that the Party could still do so by "hiding and

biding”; the long-term strategy was to wait until China gathered enough strength and then to “go out” and make some changes to international order. In recent years, China has been working with “like-minded” countries such as Russia and Iran to sap the UN’s ability to conduct human rights reports on individual countries. It also is working to alter human rights norms so that national sovereignty is accepted as a precondition of human rights and that the “right to development” enjoys priority over other rights. China also is working to alter international rules and norms in cyber governance and in trade and finance.

2) *Other states*, that is, how much power they have and what their regime types are.

Here China is acting in various ways to export authoritarianism. So far, Beijing has not used force or covert action to overthrow democratic governments, although it has sent more menacing signals to Taiwan of late. Rather, Beijing is training foreign government officials on how to sustain a single-party authoritarian state. It also is exporting technologies that enable autocracies to consolidate power. Particularly in sub-Saharan Africa, China is providing authoritarian governments with surveillance hardware and in techniques. Employees of Huawei – by far the biggest exporter of surveillance technology – are reported to have aided security officials in Uganda and Zambia track regime opponents. Thirty-six out of 86 countries receiving investment through the immense Belt and Road Initiative have received artificial intelligence surveillance infrastructure from China. Huawei has exported 75 “smart city-public security projects.” In many cases, recipients have benefited from low-

interest loans from China's Export-Import Bank. The net effect of what Beijing calls the Cyber Silk Road may be to entrench autocracy in parts of the world.

- 3) *Information*, specifically about which policies and domestic regimes work better and help governments get what they want, namely, a stable polity, growing economy, security from internal unrest and external attack, and the ability to handle crises. China has been putting into the environment information that authoritarian capitalism is, in the twenty-first century, a superior domestic regime. Its authoritarian-capitalist government performs difficult tasks quickly, is meritocratic (puts the best people in charge of public policy), fosters sustained economic growth, boasts great engineering achievements, and produces political stability. It does all of this while enabling a single party to stay in power permanently. A great deal of literature in political science shows that elites around the world pay attention to these things and it affects their own attitudes toward democracy and authoritarianism.

We have here, then, from a global perspective, not only a contest over the future of Taiwan, or over access to the South China Sea, but over the content of international order itself. International order is not only about increasing cooperation among states, or lowering transaction costs, or improving the information environment: the *content* of international order has a *real effect on which regime type will predominate in the world*. To be more precise: An authoritarian international environment would handicap liberal democracies – including in Europe and North America – pressing them over time to become more authoritarian. China's leverage, in the form of economic and military

power, grows by the day, and Beijing wants that same environment biased in favor of authoritarian capitalism.

The Trump years of course cast doubt on America's commitment to the liberal international order, and the country's long-term commitment is still unresolved. As mentioned above, clearly the order needs reforming. It is unpopular among large segments of the populations of Western democracies. Trump, Brexit, and other developments are a wake-up call to the governments of Western countries. But that said, the democracies still have certain international principles of human rights, openness and transparency, and market economics, and they want the international order to serve these, not undermine them. They want the environment biased in favor of liberal democracy.

The theme of this conference is "Structuring a New Alliance of Democracies." We can quibble about what "alliance" means, but it is clear that the democracies need to pull together more closely again, as they have in the past, to face an old threat to their cherished systems of government that has taken a new and subtle form. That threat is a shift in the international environment that has nurtured and protected democratic, free-market institutions in Europe and North America but that is being modified by China's ruling Party so as to select for authoritarianism. China is using its growing power to make it harder for countries to be democracies and easier to be authoritarian.

This does not mean the democracies should seek a new cold war with China, although such a conflict could emerge. Or, democratic solidarity to steer international order again could mean, eventually, a degree of detachment from China and the emergence of two partially separate, partially overlapping international orders. China

would be hegemonic over an authoritarian-capitalist international order. Although the two orders could still engage in trade and investment, there would be some opportunity cost for everyone for the sake of avoiding a full-blown cold war.

What is clear from this contest over content is that it is imperative that the democracies come to a consensus soon about saving the liberal international order and reforming it so that it protects democracy once again. The stakes are high for all constitutional self-governing countries that want to stay that way, regardless of their size or where on the globe they are located.