

# EuroHub4Sino

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China's alternative global order:

a primer

by Jeremy Garlick



#### **KEY TAKEAWAYS**

- The Chinese government is steadily gaining influence in the nations of the global South. Since 2013, this process has been taking place under the label of the Belt and Road Initiative (BRI).
- Influence is gained through Chinese-led international institutions such as BRICS+ and regional cooperation forums such as the Shanghai Cooperation Organization (SCO). Significantly, these institutions exclude the global North, effectively creating an alternative global governance system in opposition to the liberal international order (LIO).
- Influence-building takes place through regional mechanisms such as the Forum on China-Africa Cooperation (FOCAC) and the China-Arab States Cooperation Forum (CASCF), and also via bilateral trade and investment deals.
- The EU (like the US) has been slow to take the BRI and Chinese alternative order-building seriously. Despite talk of a 'Global Gateway', Brussels has so far failed to construct a coherent and coordinated response.
- The EU needs to understand why China's alternative order has more appeal in many parts of the global South. Reasons include the following: the absence of post-colonial baggage and dependency; Beijing's insistence on non-interference in domestic politics; the relative ease of obtaining financial assistance and investment capital; and Chinese infrastructure construction know-how.
- The EU needs to find a way to build more influence across the global South as a counter to China. The basis of a renewed soft power campaign should be greater respect for the needs, interests, and identities of global South countries rather than depending on the uncertain appeal of 'European values' alone. The EU needs to show that it is capable of listening to its potential partners rather than just lecturing them about norms and values. A good start would be to increase diplomatic engagement via EU-led regional cooperation mechanisms promoting and facilitating Global Gateway investments.

## Keywords

Post Colonialism

> EU's Global Gateway

> > Global South

Regional Cooperation Platforms

Liberal International Order

Belt and Road Initiative (BRI)



## China's challenge to the West

Countries in the global North – defined as the United States of America and European nations, as well as other highly economically developed countries such as Canada and Japan – tend to assume that people worldwide, despite some minor cultural differences, share their belief system. For instance, it is taken for granted that most developing nations in the global South automatically buy into 'Western' norms and values – or that if they don't, they must have been indoctrinated by an authoritarian propaganda machine. Most obviously, 'Western values' include European-style democracy and human rights, underwritten economically by the system of global free market capitalism.

Clearly, not everybody in the global North makes the assumption that developing countries will recognise the soft power appeal of the 'Western model', but many — including some policymakers — do. And, probably as an unacknowledged, perhaps unconscious legacy of the colonial era when <code>Europe</code> ran the world, they tend to do so without sufficient critical reflection upon the role of the global South in the international system. Europe's colonial past — which involved virtually every country in Western Europe, including <code>the UK</code>, <code>France</code>, <code>Germany</code>, <code>Spain</code>, <code>Portugal</code>, <code>Italy</code>, <code>the Netherlands</code>, <code>Belgium</code>, and even <code>Denmark</code>, <code>Norway</code>, <code>Sweden</code> and <code>Finland</code>— continues to colour the developing world's relations with the EU. At the same time, as <code>Belgian</code> historian <code>David Van Reybouck</code> points out, the consequences of European imperialism — inequality and exploitation — are underemphasised in Europe itself. Chatham House scholar Hans Kundnani goes so far as to refer to the EU as a "vehicle for <code>imperial amnesia</code>."

Be that as it may, internationally, 'Western values' are transmitted through what is often called the 'liberal international order' (*LIO*). The LIO rests on the international system represented by multilateral institutions such as the United Nations (UN), the World Trade Organization (*WTO*), the International Monetary Fund (IMF) and the World Bank. All of these institutions have their headquarters in the US or Europe. Hence, it goes without saying

that the global South has a limited role in the running of these organisations. Even in the UN, three of the five permanent members of the Security Council (with the right of <u>veto</u>) are Western countries. Importantly, none of the five permanent members is from Africa or Latin America, while the sole Asian representative is China.

However, bit by bit and without the process being particularly well observed in Europe, China is constructing an <u>alternative global order</u> which challenges the global governance system based on Western values. As <u>Rush Doshi</u> points out, China is playing a "long game", seeking to increase geopolitical and geo-economic influence over decades. It is doing this by gaining influence in the global South through instruments such as investments and bilateral deals. It is also using Chinese-led multilateral institutions such as the <u>BRICS+</u> platform and the Shanghai Cooperation Organization (<u>SCO</u>). These arrangements exclude Western countries and so stand outside the LIO.

It should be noted that for each region of the global South there is a dedicated Chinese-led regional cooperation mechanism. The importance of these is often underestimated in the West but emphasised by many <u>Chinese scholars</u>. Apart from fostering economic cooperation, these are instruments for gradually transmitting Chinese norms of cooperation to partner countries. Among them, the most prominent platforms are the SCO in Central Asia, the Forum on China-Africa Cooperation (<u>FOCAC</u>) in Africa, the China-Arab States Cooperation Forum (<u>CASCF</u>) in the Middle East, and the <u>China-CELAC</u>. forum in Latin America. Institutional arrangements such as these are subsumed under the overarching label of the Belt and Road Initiative (<u>BRI</u>), alongside bilateral deals with individual countries The BRI is the flagship of Chinese foreign policy in the Xi Jinping era and now has a decade of activity behind it.

<u>Regional cooperation platforms</u> play a key role in the BRI and broader Chinese foreign policy in the global South. They allow China to build influence and simultaneously dampen suspicions on the part of target partners, conveying the idea that the benefits of cooperating with China will be spread fairly evenly among all who join the platforms. They also encourage countries to see their region as a community of sorts – in Chinese official jargon, a '<u>community</u> of shared future.'

This may seem like mere rhetoric, but there is evidence to demonstrate that regional cooperation platforms such as the SCO have achieved a degree of success in defusing tensions and enhancing economic ties between neighbouring nations. Most notably, Central Asia has been relatively <u>peaceful</u> since the advent of the SCO in 2001 despite ongoing territorial disputes in the region. These might have flared into something more serious if it had not been for the annual discussions carried out behind closed doors in the SCO – with China and Russia at the helm rather than at each other's throats.

It is often assumed that the primary goal of the BRI is connectivity through investment in

infrastructure. This is one of its key aspects – but there are others. Among them, in addition to the aforementioned regional cooperation platforms, are what the Chinese government calls 'people-to-people' exchanges.' Often, these consist of training sessions and trips to China for selected elite groups in partner countries. Very specific groups are targeted: military officers, civil service elites, and journalists. Scholarships to Chinese universities are also offered to impoverished students, for instance in Africa or Pakistan. Such activities are often coordinated through Confucius Institutes, hundreds of which have been set up around the world. Although Confucius Institutes have been controversial in Western countries due to the perception that they are instruments through which the Chinese Communist Party (CCP) spreads propaganda and monitors Chinese students abroad, in the developing world they are often seen more positively: as platforms offering education and opportunities to locals.

Through such methods, the Chinese government is generating considerable influence in the global South. There is copious evidence of such influence. First, *global South countries tend to vote in line with the PRC in the UN*, for instance on the issue of *human rights*. Second, there is a long-term trend for developing countries to *switch* their allegiance from Taiwan to China, the most recent case being the Pacific microstate of *Nauru*, which dumped Taiwan immediately after the January 2024 Taiwanese general election. This development left Taiwan with *only twelve* remaining diplomatic allies worldwide. Other signs of influence include lack of criticism of China's human rights record, high attendance at *BRI forums* such as the one held in Beijing in October 2023 even in the absence of representatives from most of the global North, and opinion polls showing a surprising amount of approval for China. For instance, a Pew Research Center survey published in *July 2023* revealed a favourable attitude towards China among 80 per cent of the Nigerian population.

In short, there is good reason to believe that China is becoming increasingly influential in the global South and that its multilateral institutional mechanisms are gaining a considerable amount of credibility in many countries. Meanwhile, according to a <u>recent report</u> published by the Munich Security Conference, many people in the developing world believe the "western emphasis on the 'rules based order' is hypocritical and aimed at preserving the status quo of western domination, including over the global South."

## The clock is ticking – but not the one you think

Some observers suggest that China has a 'demographic timebomb.' This is the argument that as China's population ages and declines, it will run out of younger workers and the economy will stagnate. Indeed, China's economic growth is slowing down as its decades-long 'economic miracle' comes to an end. At the same time, China's political system is thought to be unsustainable in the long term and incompatible with a free market system. So, the argument runs, China cannot keep rising and must now go into decline.

However, there are no signs so far that China is collapsing economically. Economic data reveal that China is still managing to sustain 4-5 per cent economic growth per annum despite high levels of corporate debt and the bursting of the housing bubble in 2023. Nor is there evidence that China's political system is imploding or that the population are losing faith in the Party. The CCP under President Xi Jinping retains a firm grip on power, and control has become more entrenched over the last decade. Research done in China by Bruce Dickson, a professor at George Washington University in the US, reveals that there is a surprisingly high level of long-term popular support for the government. This finding, albeit in need of an update for the 2020s, negates the argument that the Chinese population's supposed frustrations are about to boil over into open revolt.

At any rate, assuming that the CCP holds onto power (as seems likely), its policy of building influence in the global South is likely to pay dividends in the long run. Economists note that trade between countries in the global South is rising steadily. According to one recent calculation, South-South economic transactions are catching up with trade between nations in the global North. *Figures* show that South-South trade increased from 10.8 to 25.0 per cent of world trade between 1995 and 2020, while North-North trade's share declined from 52.0 to 37.1 per cent over the same period. This means that as the global South economies collectively gain a larger and larger share in the world economy, they will start to push for more say in how the international system works. The steady increase in the global South's clout constitutes a paradigm shift for the world which is already in motion.

As China gradually becomes a trusted partner of many global South countries via facilitatory mechanisms such as the BRI, BRICS+, regional cooperation platforms, and bilateral trade and investment deals, it is likely to benefit from its companies dominating the growing local markets. For instance, Chinese *mobile phone* manufacturers already have the lion's share of business in Africa, far ahead of Apple and Samsung. Chinese companies have gained access to supplies of crucial raw materials for industrial production in countries such as Angola (oil), Democratic Republic of Congo (cobalt) and Zambia (copper). As already stated, fewer and fewer developing nations are inclined to continue siding *with Taiwan* or to criticise China's human rights record.

In short, while the global South is gaining economic importance, China is simultaneously gaining influence in the global South. As Chinese companies build infrastructure funded by *loans* from Chinese financial institutions, and the CCP gains acceptance for its norms of cooperation via its multilateral institutions such as regional forums and BRICS+, the Beijing government has an increasing capacity to mould interactions with global South countries. Such influence does not necessarily come in the form of coercive 'debt trap diplomacy' as some *Western media* outlets have suggested, but more in the form of general economic and political leverage. Alongside this leverage, the PRC attempts to demonstrate that it is a trustworthy partner which respects the wishes and needs of countries

who choose to cooperate according to modern China's preferred norms of interaction.

Meanwhile, the West has been slow to react to China's BRI-backed influence-building campaign. The Biden administration's 'Build Back Better World' (B3W) and the EU's 'Global Gateway' lack substance two years after they were first announced. Since decolonisation, developing countries have become used to the West talking about aid and development without seeing many results. For instance, gone is the era when the whole of Africa could simply be considered a basket case in need of charity. While some countries do remain desperately poor, while of course remaining far below the level of prosperity in the global North, other nations have made great strides forward and Africa now has many of the world's fastest growing economies. Yet the stereotyped images of starving children and charity concerts remain fixed in the Western mind, in large part as a legacy of the 1984 Band Aid concert. In Western Europe, such assumptions stand alongside residual memories of empire and the unspoken understanding that the US and Europe ought to educate the rest of the world about supposedly civilised standards of democracy and human rights. There is still little discussion about what the global South can – and will – bring to the table as it grows stronger over the course of the twenty-first century.

### What to do, EU?

As we have seen, although it is important not to overstate the level of progress, <u>China</u> is steadily building an alternative global order through its own multilateral and minilateral institutions. These include global South countries but exclude almost all of the global North (Russia of course is included in BRICS+ and the SCO). According to the <u>United Nations</u>, the global South includes 78 countries. Allowing the Chinese government free rein to build a network of relationships with the developing world thus permits it to establish a large bloc of nations which will side with it in UN votes, build economic ties, and potentially group together against the West.

China's new order can be understood as having three levels. First, the broad level of global cooperation labelled "BRI". Second, the regional level of cooperation which includes regional platforms such as FOCAC and CASCF. And finally, nested within these, China's bilateral relations and deals with individual countries. Through this three-tier structure, China is gradually spreading its influence and leverage in the global South.

With this increase in influence comes growing acceptance of Chinese norms and values such as the principle of political non-interference, emphasising collective over individual rights, and acceptance of authoritarianism rather than democracy. Quite obviously, such norms stand in direct, stark opposition to so-called "European values." Although the jury is out on how far Chinese norms have been welcomed or accepted by its partners, the challenge to the West – and 'normative power Europe' in particular – is clear. China is steadily

<u>socialising</u> the global South, region by region, into its norms.

So, what to do about China's challenge? First of all, the EU needs to develop a clearer focus concerning how to engage with countries in the global South. It needs to turn discourse about the 'Global Gateway' into a reality, building a coherent response to the BRI. Apart from anything else, prioritising investment in the developing world is a win-win for Europe if it creates jobs and persuades at least some of those who intend to attempt migration to the EU to stay at home. In other words, investing in economic development in the global South is also good for Europe in the long run – if the EU plays the right cards.

Brussels also needs to show global South countries greater respect, making clear that they are not regarded as second-class world citizens. An important part of this is to understand that 'European values' are not automatically universally accepted, and that attempts to force them onto countries which were once colonised by European masters are not appreciated. Even if this may be hard to swallow, European elites do need to listen to their counterparts in the developing world rather than lecturing them on 'European values.' The global South is steadily gaining economic importance and it would be wise not to ignore China's role in this transition.

Ultimately, the obvious strategy to counter China's advances in the global South is to increase diplomatic activity in selected countries — especially those which appear to be wavering or sitting on the fence concerning cooperation with China. The EU needs to enhance bilateral ties with individual countries. At the same time, there is a need for new regional mechanisms as platforms for improving ties. Behind-the-scenes diplomacy can pave the way to increased influence, and dangling some carrots in the form of investment deals under the label of Global Gateway cannot hurt. The way to compete with China strategically is to make an equal or better offer than China, particularly in countries or regions which appear to be uncertain about the benefits of developing closer ties with Beijing. In the end, the potential risk of doing nothing far outweighs the costs of devoting more time and money to the global South.



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