

China's Power Status and Its Impact on Chinese World Order

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Abstract

According to Goldman Sachs's projection, China's GDP, in terms of US dollars, will overtake that of the United States in 2030 to become the world number one. This raises the question whether Chinese world order is coming in the near future. Martin Jacques, whose answer to the above question is "yes" in his book "When China Rules the World" by focusing on economic power. However, Joseph Nye argued that military and economic forces (hard power) are not enough for a country to rule the world; the ability to shape the preferences of others (soft power) also plays a very important role in that matter. This paper finds that it is hard to jump to a conclusion that Chinese world order is coming, for it has not become revisionist state yet. The reasons for that are: China becomes the world's largest economy that is not a sure thing, the liberal world order will still be led by the U.S., AIIB and OBOR don't help China much in enhancing its power status and China has not set the common values with Chinese characteristics for the rest of world to follow.

Keywords: status quo power, revisionist power, China's model, Beijing Consensus, Confucianism

Introduction

Why Chinese world order? The meaning of China in Mandarin is "center country", and it actually means the center of the world both in ancient and modern time. In other words, if the mentality of Chinese leaders has been changed, then once China become strong enough to lead the world, it is highly likely to see the Chinese World Order in place. In other word, China would set the rule of world order for other countries to follow. According to Goldman Sachs's projection, China's GDP, in terms of US dollars, will overtake that of the United States in 2030 to become the world number one.² This raises the question whether Chinese world order is coming in the near future to replace American world order. Martin Jacques, whose answer to the above question is "yes" in his book "When China Rules the World" by focusing on economic power.³ Also Stefan Halper had the same answer as Martin Jacques's to the question in his book "The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty First Century?"⁴ Both of them implied that Chinese world order is on the way. However, Joseph Nye argued that military and economic forces (hard power) are not enough for a country to rule the world; the ability to shape the preferences of others (soft power) also plays a very important role in that matter.⁵ Also as Vincent Ferraro said that a state must have three attributes to be a hegemon-- the capability to enforce the rules of the system, the will to do so, and a commitment to a system which is perceived as mutually beneficial to the major states.⁶

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² CNBC, "Goldman Sachs CEO: China's economy will surpass the US, and by one measure it already has", <https://www.cnbc.com/2017/11/09/goldman-sachs-ceo-loyd-blankfein-chinese-economy-will-surpass-the-us.html>, Accessed May 5, 2018.

³Martin Jacques, *When China Rules the World: The Rise of Middle Kingdom and the End of the Western World*, (London: Penguin Books Ltd., 2009), pp.363-413.

⁴Stefan Halper, *The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty First Century?*(New York: Basic Book, 2010), pp.9-48.

⁵Joseph Nye, *Soft Power: The Means to Success in World Politics*, (New York: Public Affairs, 2004), pp.5-6.

⁶Vincent Ferraro, "The Theory of Hegemonic Stability", <http://www.mtholyoke.edu/acad/intrel/pol116/hegemony.htm>, Accessed Apr 5, 2018.

If we regard capability as hard power, will and commitment as soft power, then we may conclude that a state cannot rule the world only by strong economic and military powers, but soft power also needs to be taken into account. As a result, if we want to find out whether Chinese world order is on the way, both of China's hard power and soft power, which includes will and commitment that needs to be discussed. Before doing that, this paper, first of all, is to examine the power status of China at the present so as to know whether it will pursue the leadership for the whole world instead of just Asia. Secondly, since power transition happens when current power is too weak to stop the rising power to replace its dominant role in world affairs, it is necessary to analyze whether US is too weak to keep the leading role in the world. Thirdly, based on the assumption that economy or hard power is one of the two key factors to decide whether a state is able to rule the world, it is to analyze China's economy, in terms of GDP, to see whether it will become the world number one as expected. On top of that, it is also to discuss whether Asian Infrastructure Investment Bank (hereinafter referred to as AIIB) and "One Belt and One Road Initiative" (hereinafter referred to as OBOR), which are two very ambitious plans that may help China to play more dominant role in world affairs.

Fourthly, if that is the case, the following work will be put on analyzing how the present world order is all about, what it will become in the near future, and what role China will be able to play in that system. Fifthly and finally, it is to see whether China has the ability to shape the preferences of others so as to know when China is ready to rule the world.

Literature Reviews: China Is not a Revisionist Power Yet

Before finding the fact whether China will be ready to rule the world, the first thing that has to be paid attention to is what the power status of China at the present in order to know whether China is ready to challenge the current world order. As Robert Farley said that the question "Is China a status quo or a revisionist power?" dominated the 20th century geopolitics.⁷ In fact, this question not only was hot on 20th century geopolitics, but it also was carried into the 21st century geopolitics. Since the question is so important that the following question will be how to define China as a status quo or revisionist power.

According to Brad Nelson's definition, if China is a status quo power, it's mostly satisfied with the way the world looks and operates, as well as its place in it; but if it is a revisionist power, it will seek to change, if not overturn, the regional and possibly the world order, bending and shaping it in line with its interests.⁸ However, how to decide whether China is satisfied with the current world order? The above definition seems not precise enough for us to understand the power status of China. Nonetheless, Robert Gilpin's definition which was regarded as the most precise discussion of revisionist and status quo orientations probably would help us to get there.⁹

Based on the operationalized components "the distribution of power, the hierarchy of prestige and rights and rules that govern or at least influence the interactions among states" proposed by Robert Gilpin to determine whether a state is a status quo or revisionist, Alastair Iain Johnston suggested that three questions legitimately need to be asked.¹⁰ First, how do state leaders speak and act with regard to the specific rules? Second, how do state leaders speak and act regarding the distribution of power globally or regionally? Third, how do they speak and act regarding the hierarchy of prestige.¹¹ In sum, it is fair to say that if the state leaders speak and act to challenge the existing international institution, then that state can be seen as a revisionist power.

With regards to the above definition of power status, we found out that scholars have not yet reached a consensus about whether China has become a revisionist state, even though China might have intention to do so. In other words, it is too early to make a conclusion on that. As Brad Nelson stated, "right now, we're in the very early stages of China's rise to dominance, as a peer competitor to the U.S., so it's hard to make definitive conclusions about what Beijing wants and the direction it will ultimately go.

⁷Robert Farley, "China Might Just Be an Assertive Status Quo Power", *The Diplomat*, <https://thediplomat.com/2014/08/china-might-just-be-an-assertive-status-quo-power/>, Accessed May 5, 2018.

⁸Brad Nelson, "Is China a Status Quo or Revisionist Power?", Center for World Conflict and Peace, <http://centerforworldconflictandpeace.blogspot.tw/2011/11/is-china-status-quo-or-revisionist.html>, Accessed May 6, 2018.

⁹ Quoted from Alastair Iain Johnston, "Is China a Status Quo Power?", *International Security* 27:4, 2003, 6-7.

¹⁰ Ibid.

¹¹ Ibid.

¹²Robert Farley also argued that “there is precious little to indicate that China genuinely seeks to overturn the existing international order of East Asia, rather than carve out a larger (and more unique) place within that order.”¹³ Besides, Albert Triwibowo used the indicators created by Johnston to look into how China deals with the South China Sea disputes as a case study to determine whether China has become a revisionist power or not.¹⁴ His conclusion is that China is lying in the middle between status quo and revisionist in the dispute, between an obligatory action that is mandated by the DoC (Conduct of Parties) and the desire to act in order to pursue its self-interest such as its sovereignty claim, natural resources, and geostrategic position of the disputed territory.¹⁵ That means China’s dominance even in its backyard without a clear picture, not to mention in other areas.

By the same token, Katherine Combes address the question “Is China a status quo or a revisionist power?” by looking at China’s interaction with international regimes, such as global trade, non-proliferation and environmental regimes.¹⁶ She suggested that China is no longer a wholly revisionist power and has come to embrace a more status quo orientated approach, particularly in the global trade regime, where it has come to see the benefits of international cooperation.¹⁷

However, Katherine Combes didn’t rule out the possibility of China’s dominance in international regimes by saying that “in the future China’s behavior may revert to revisionism as it reaches a sufficient level of development throughout its borders and feels ready and able to take on the reins of global leadership.”¹⁸ In other words, scholars all agreed that China may be a status quo power today, but it can be a revisionist power tomorrow when it is ready.

The idea of China being a revisionist power in the future is strengthened by John H.S. Åberg. In the paper “China’s Revisionist Orientation”, he emphasized that “China is not a revisionist power, but the intercept (an armed Chinese Su-27 fighter conducting a dangerous intercept of a U.S. Navy P-8 Poseidon patrol aircraft) indeed indicates revisionist orientation; the intercept is a matter of China’s core interests, and the new type of great power relations needs to be included in the analysis; and notwithstanding the quarrels about international law, the intercept was an act of deviance going against established norms of interaction.”¹⁹

John H.S. Åberg provided other evidence to show China’s revisionist orientation. He suggested that “whether in the form of Asian security for Asians by Asians as expressed by Xi Jinping or in the form of disapproval of the U.S. broker and leadership role in the South China Sea disputes, the political performances of the Chinese leadership explicitly pronounce a preference for revising the regional security order.”²⁰ This evidence fully comply with Robert Gilpin’s revisionist approach that state leaders speak and act with regard to the specific rules, and state leaders speak and act regarding the distribution of power globally or regionally.

Kurt M. Campbell and Ely Ratner also mentioned, in the summer of 2016, China ignored a ruling by tribunal under the UN Convention on the Law of the Sea, which held that China’s expansive claims in the South China Sea were illegal under international law.²¹ This experience was regarded as a lesson for China’s leaders that they can defy international law and get away with it.²² However, it doesn’t mean that China is able to overturn US dominance in Asia; otherwise Xi Jinping wouldn’t say that “The Pacific Ocean is big enough to accommodate both China and the United States.”²³ This only proves that China has very strong revisionist orientation to defend its own interest.

¹²Brad Nelson, “Is China a Status Quo or Revisionist Power?”

¹³Robert Farley, “China Might Just Be an Assertive Status Quo Power”,

¹⁴Albert Triwibowo, “China in the South China Sea Dispute: Between Status Quo and Revisionist”, *Jurnal Ilmiah Hubungan Internasional*, 10:1, 2014, 1-22.

¹⁵ Ibid.

¹⁶Katherine Combes, “Between Revisionism and Status Quo: China in International Regimes. China’s behaviour in the global trade, non-proliferation and environmental regimes.” *POLIS Journal* Vol. 6, Winter 2011/2012, 1-37.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹John H.S. Åberg, “China’s Revisionist Orientation”, *The Diplomat*, <https://thediplomat.com/2014/09/chinas-revisionist-orientation/>, Accessed May 15, 2018.

²⁰ Ibid.

²¹ Kurt M. Campbell and Ely Ratner, “The China Reckoning: How Beijing Defied American Expectations”, *Foreign Affairs*, Vol.97, No.2, March/April 2018, pp.60-70.

²² Ibid.

²³ Xinhua News, “The top 10 quotes of Xi on China-U.S. ties”, Sep 14, 2015, http://www.xinhuanet.com/english/2015-09/14/c_134623163.htm, Accessed May 18, 2018.

In a sense, China's power status is definitely not as Ren Xiao suggested as "a reform-minded status quo power that it does not aspire to overthrow this system within which it has prospered."²⁴ Otherwise, it would be very difficult to explain why "China argues that the current international order is flawed and that there exist a number of unjust and unreasonable components needed to be changed."²⁵ In sum, China is not a revisionist power that is a sure thing at the present. However, scholars all agreed that China is currently a status quo power with strong revisionist orientation eagerly to change the international rule of game in favor of China's interest.

After discussing the current power status of China, the rest of paper will look at the issues of possible changing power status of China from four perspectives, which will help us understand whether Chinese world order is on the way. There are: US leading role of the world order, China as the world's largest economy, the impact of AIIB and OBOR on enhancing China's power status, and China's common values for the rest of the world to follow. If those four dimensions all have positive impacts on changing power status of China, then one can conclude that Chinese world order is coming soon, otherwise we still need to wait some time to experience the reality of Chinese world order.

U.S. Is not Weak Enough to Lose Its Dominance

It seems that the world system will no longer be led by the U.S., after the global financial crisis of 2008 caused by the U.S. banks. As Roger C. Altman pointed out that the financial and economic crash of 2008 will accelerate trends that are shifting the world's center of gravity away from the U.S., China's global influence will thus increase, and Beijing will be able to undertake political and economic initiatives to increase it further.²⁶ Arvind Subramanian even bluntly predicted that the U.S. current situation does leave the country fundamentally vulnerable in the face of China's inescapable dominance after 2030.²⁷

From the viewpoint of Arvind Subramanian, China will be the inevitable superpower that is a sure thing. Do the decline of the U.S. and the rise of China really shift the world leadership from the U.S. to China as some experts expected? What will the world system led by China look like? if it does happen. There have not been many doubts about the decline of the U.S. since the global financial happened in 2008. However, whether the decline of the U.S. will cause the world system to be led by China is still questionable.

There are two ways to question China's capability to rule the world. One way is that more and more observers believe that the liberal world order will remain and be led by the U.S. despite financial setback of 2008. As G. John Ikenberry argued that the underlying foundations of the liberal international order will survive and thrive; the U.S. can still lead in the new age of international order.²⁸ Same viewpoints also can be found in Joseph S. Nye, Jr. and Leslie H. Gelb's work.

They respectively mentioned that the coming decades are not likely to see a post-American world and most nations do not doubt that the U.S. is the indispensable leader in solving major international problems.²⁹ One of the leading figures in world affairs, the former premier of Singapore Lee Kuan Yew concluded that China will not surpass the United States as the leading power of the twenty-first century, because the U.S. has the ability to attract the best and brightest from the world and meld them into a diverse culture of creativity.³⁰ The other way to question China's capability to rule the world is that China is not really ready to bear the responsibility to tackle global problems, such as nuclear proliferation in North Korea and Iran. As Thomas J. Christensen questioned how can China portray itself as a great power when it cannot even influence the behavior of its weak ally with entire dependency on its economic aid.³¹

²⁴Ren Xiao, "A reform-minded status quo power? China, the G20, and reform of the international financial system", *Third World Quarterly*, 36:11, 2015, 2023–2043.

²⁵ Ibid.

²⁶ Roger C. Altman, "The Great Crash, 2008", *Foreign Affairs*, Vol. 89, No.1 January/February 2009, pp.2-14.

²⁷Arvind Subramanian, "The Inevitable Superpower: Why China's Dominance Is a Sure Thing", pp.67-78.

²⁸G. John Ikenberry, "The Future of the Liberal World Order", *Foreign Affairs*, Vol. 90, No.3 May/June 2011, pp.56-68.

²⁹Joseph S. Nye, Jr., "The Future of American Power: Dominance and Decline in Perspective", *Foreign Affairs*, Vol. 89, No.6 November/December 2010, pp.2-12; Leslie H. Gelb, "GDP Now Matters More Than Force: A U.S. Foreign Policy for the Age of Economic Power", *Foreign Affairs*, Vol. 89, No.6 November/December 2010, pp.35-43.

³⁰ Quoted from Joseph S. Nye, Jr., "The Future of American Power: Dominance and Decline in Perspective", p.6.

³¹Thomas J. Christensen, "The Advantages of an Assertive China: Responding to Beijing's Abrasive Diplomacy", *Foreign Affairs*, Vol. 90, No.2, March/April 2011, pp.54-67.

Besides, China will also not be ready to get more involvement in the international financial market by freely converting renminbi into foreign currency and vice versa, and it is highly unlikely for Beijing to use its financial power to disrupt international capital market in order to obtain the leading power.³² How can China want to rule the world without more internationalizing its currency and creating a new global financial system based on renminbi? There are no signs for China to get more involvement in world affairs politically and economically, so it is fair to say that the world system will still be led by the U.S. for some time until China redefines its international role.

One might argue that President Donald Trump has been conducting protectionist trade policy that harms the US leadership in the world.³³ However, as Hal Brands suggested that Trump has not simply demolished the pillars of US foreign policy or the post-war international order.³⁴ Furthermore, US influence has derived not solely from America's material might, but from its image as an attractive society worthy of esteem and emulation; enviable soft power has been a force multiplier for US hard power.³⁵

Donald Trump asked US's NATO counterpart to raise their defense spending by double or at least meet the requirement of 2% of GDP in 2017. Military figures and diplomats fear that Trump could threaten to pull US troops out of Ukraine and refuse to take part in joint NATO exercises if Britain and other European countries fail to commit to increased spending on defense.³⁶ If the US is too weak to lead the world, it is really hard to imagine where that fear come from. As a result, it is fair to say that the US leadership of the world has not been eroded as much as expected in the age of Trump.

China as the World's Largest Economy Is Still in Doubt

If China wants to rule the world, its first characteristic will be to become the world's largest economy as the US did in the past.³⁷ As Goldman Sachs and many other organizations projected, China probably will become the world number one economy around 2030 in term of GDP in US dollars.³⁸

After China becomes the world number one economy, then China's will seemingly have much influence in world affairs as U.S. did after the World War II. This kind of thinking prevails especially after the global financial crisis of 2008. As Paul Kennedy mentioned in his article: "We could be looking at as large a shift in the world's financial balances as that which occurred between the British Empire and the United States between 1941 and 1945."³⁹

However, if it is to take GDP per head into consideration, China may not be so much more influential in world affairs than some experts predicted, even though Arvind Subramanian mentions that China will be dominant and it will be ahead on both GDP and trade.⁴⁰ In Martin Jacques's views, the second characteristic of global hegemon is with one of the world's highest GDPs per head.⁴¹ Under that circumstance, even when China's GDP grows as large as the U.S.'s, its per capita GDP is still one fourth of U.S.'s. Therefore, it is hard to imagine that China will have economic dominancy in 2030, since 1.4 or 1.5 billion people still need to be fed by that time. Not to mention that China's steady economic growth is not a sure thing.

³² Ken Miller, "Coping With China's Financial Power: Beijing's Financial Foreign Policy", *Foreign Affairs*, Vol. 89, No.4, July/August 2010, pp.96-109.

³³ Andrew Buncombe, "The G20 proves it. Because of Donald Trump, the world no longer looks to America for leadership", *Independent*, July 8, 2017, <https://www.independent.co.uk/voices/g20-hamburg-donald-trump-world-leadership-climate-change-trade-no-longer-communicate-a7831186.html>, Accessed May 15, 2018.

³⁴ Hal Brands, "The Unexceptional Superpower: American Grand Strategy in the Age of Trump", *Survival*, 59:6, Dec 2017/Jan 2018, 7-40.

³⁵ Ibid.

³⁶ Edward Malnick, "Nato fears Donald Trump may pull troops out of Europe if countries do not increase defence spending", *The Telegraph*, July 8, 2018, <https://www.telegraph.co.uk/news/2018/07/07/nato-summit-fears-trump-may-pull-troops-europe/>. Accessed Dec. 15, 2018.

³⁷ Martin Jacques, *When China Rules the World: The Rise of Middle Kingdom and the End of the Western World*, p.367.

³⁸ Arvind Subramanian, "The Inevitable Superpower: Why China's Dominance Is a Sure Thing" *Foreign Affairs*, Vol.90, No.5, September/October 2011, pp.66-78.

³⁹ Paul Kennedy, "American Power Is on the Wane", *Wall Street Journal*, January 14, 2009, <http://online.wsj.com/article/SB123189377673479433.html>, Accessed Nov 30, 2010.

⁴⁰ Arvind Subramanian, "The Inevitable Superpower: Why China's Dominance Is a Sure Thing", p.69.

⁴¹ Martin Jacques, *When China Rules the World: The Rise of Middle Kingdom and the End of the Western World*, p.367.

China's economic development model is regarded as state-directed capitalism which is similar to East Asian model and relying on competent technocrats in efficiently managing state involvement in the productive sectors.⁴² Nonetheless, if those technocrats are always so competent in managing business, then East Asian countries would not encounter Asian financial crisis in 1997. China seemed to have soft landing from the impact of both Asian financial crisis in 1997 and global financial crisis in 2008, but it doesn't mean that China is able to overcome another financial crisis if its economy is more internationalized than ever before due to trying to play more dominant role in world affairs.⁴³ China cannot rule the world without getting more involvement in world economic system, and it becomes more vulnerable to hedge fund attack once it is doing so. Apart from impact from the outside world financially, China also has to deal with its own domestic economic problem.

Rana Foroohar raised six myths in her article "Everything You Know About China Is Wrong" in which the second myth is that the communists are brilliant economic managers.⁴⁴ Rana Foroohar further pointed out that while most economists agreed that Beijing has done a good job of solving short-term problem, there is growing unease about how massive stimulus could distort the economy in the long run.⁴⁵ If Chinese collective leaders were not as smart as some experts thought, then it would be very dangerous to put the entire economic job on their hand. Rana Foroohar is not the sole expert to question China's economic performance.

Ian Bremmer also argued that state capitalism's future will likely prove limited, particularly if it cannot provide even its two leading practitioners with a working model for sustainable economic growth.⁴⁶ He further indicated that China's bureaucrat will ultimately understand managing looming social and environmental challenges beyond their capacity, and they will realize that free market is more likely to help them feed and house the country's 1.4 billion people and create the 10-12 million new jobs needed each year.⁴⁷ Ian Bremmer finally concluded that the China's experiment will likely expand, and continue to exert a growing influence on the shape of the global economy, until it generates a new crisis of its own.⁴⁸ It is so obvious that both Rana Foroohar and Ian Bremmer do not believe that China's model can work out in the long term. If they are right; China will face difficulties in developing economy sooner or later.

Douglas H. Paal pointed out two ways for China not able to have rapid economic growth continuously. Firstly, he quoted his colleague's idea as saying that China's formula for rapid growth has depended on repressing the income of ordinary Chinese in order to dispense subsidized capital to favored investors, including state-owned enterprises and well-connected entrepreneurs; this distorts international trade patterns and will inevitably lead to protectionism against Chinese exports.⁴⁹ The trade war between US and China proved that the above argument is correct. Secondly, Douglas H. Paal argued that China may have room yet to continue growing as the benefits of modernization spread westward within China, but its success will depend on significantly promoting domestic-led growth, which in turn will require returning the proceeds of investment to ordinary depositors, which will raise the cost of capital to enterprises who now depend on low-cost capital to be profitable.⁵⁰

⁴²Stean Halper, *The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty First Century?* pp.103-134; Rana Foroohar, "Why China Works?", *Newsweek*, Jan 19, 2009, pp.23-27.; Ian Bremmer, "State Capitalism Comes of Age" *Foreign Affairs*, Vol.88, No.3, May/June 2009, pp.40-55.; Nancy Birdsall and Francis Fukuyama, "The Post-Washington Consensus: Development After the Crisis", *Foreign Affairs*, Vol.90, No.2, March/April 2011, pp.45-53.

⁴³ Ted Truman and Robert Madsen, "China thinks the Washington Consensus is dead— Responses to Laurence Brahm", *PacNet Newsletter*, pacnet@hawaiiibiz.rr.com, No. 65A, Oct.21, 2009.

⁴⁴Rana Foroohar, "Everything you know about China is Wrong", *Newsweek*, October 29, 2009, pp.32-35.

⁴⁵ Ibid.

⁴⁶ Ian Bremmer, "State Capitalism Comes of Age: The End of the Free Market?", *Foreign Affairs*, Vol. 88, No.3 May/June 2009, pp.40-55.

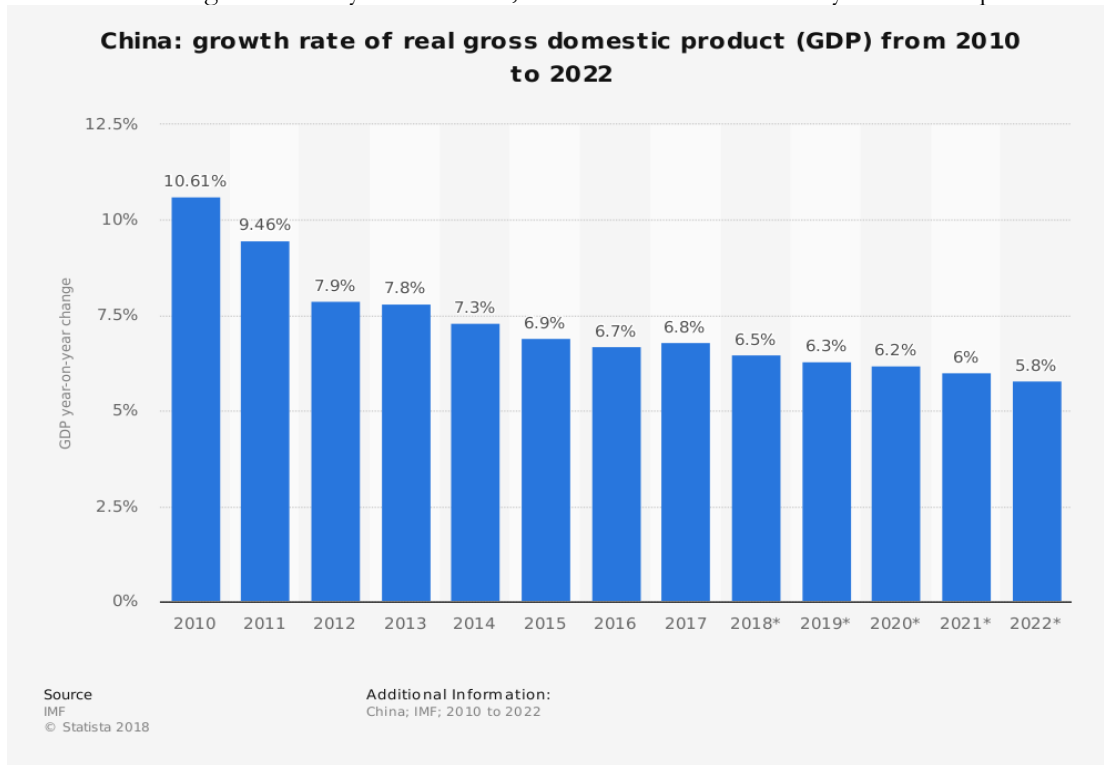
⁴⁷ Ibid.

⁴⁸ Ian Bremmer, "The New State Capitalists", *Newsweek*, June 7, 2010, pp.30-31. Yang Yao also says that popular resistance and economic imbalances are now moving China toward another major crisis. Please see "The End of the Beijing Consensus: Can China's Model of Authoritarian Growth Survive?" February 10, 2010, <http://www.foreignaffairs.com/articles/65947/the-end-of-the-beijing-consensus?page=2>

⁴⁹Douglas H. Paal, "Will China Rule the World?", September 2, 2010, <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=41504>, Accessed Nov 30, 2010.

⁵⁰ Ibid.

In other words, China has to change the way of doing business, or it might encounter economic setback as Japan did after 1990s. As Sara Hsu argued, “China is an upper middle income country that enjoyed gangbusters growth through the 1990s and 2000s, but that is now suffering from a major economic slowdown that has no end in sight.”⁵¹ The statistic (as shown) also shows that China’s economic growth has slowed down in recent years and will not exceed 7% any more after 2014. By looking the above viewpoints as well as statistic, it is still too early to say that China will be the world’s largest economy around 2030, not to mention China’s very low GDPs per head.



Source: <https://www.statista.com/statistics/263616/gross-domestic-product-gdp-growth-rate-in-china/>

Due to the slowdown economic growth rate, China raised the idea of “new normal” economy to describe its next period of economic growth. As elaborated by Xi Jinping during 2014 Beijing APEC meetings, its features are: First, the economy has shifted gear from the previous high speed to a medium-to-high speed growth. Second, the economic structure is constantly improved and upgraded. Third, the economy is increasingly driven by innovation instead of input and investment.⁵²

One of the major problems for China’s slowdown economic growth rate is financial debt. Some unofficial estimates, like Institute of International Finance (IIF), place China’s debt to GDP at 300%!⁵³ Without counting the unofficial debt estimates into the price of Chinese financial assets, China’s debt rating by S&P and Moody’s are very close to those of America and Japan,⁵⁴ that must be worse with taking unofficial debt estimates into consideration. Besides, the financial situation would get worse due to the government’s role as both lender and borrower, which is unable to disperse credit risks.

China’s America’s And Japan’s Credit Ratings And Yields

⁵¹ Sara Hsu, “China Is Set To Lose Its 'Emerging Market' Status As Growth Continues To Decline”, Jan 25, 2018, <https://www.forbes.com/sites/sarahsu/2018/01/25/china-is-set-to-lose-its-emerging-market-status-as-growth-continues-to-decline/#113a4c7e7359>. Accessed May 20, 2018.

⁵² China Daily, “New normal in economic development”, *China Daily*, Oct. 15 2017, http://www.chinadaily.com.cn/china/19thcpnationalcongress/2017-10/05/content_32869258.htm. Accessed Dec. 16, 2018.

⁵³ Panos Mourdoukoutas, “Debt, Not Trade War, Is China’s Biggest Problem”, *Forbes*, Nov 24, 2018, <https://www.forbes.com/sites/panosmourdoukoutas/2018/11/24/debt-not-trade-war-is-chinas-biggest-problem/#1bd954f4c4d>. Accessed March.16, 2019.

⁵⁴ Ibid.

Country	S&P	Moody's	10-year T-Bond yield
China	A+	A1	3.37*
USA	AA+	Aaa	3.06
Japan	A+	A1	0.10

*7-year

Source: Tradineconomics.com 11/19/18

Another point should not be ignored is that Japan was regarded as world number one economically in the near future in 1979.⁵⁵ However, Japan has not only been the world number one since that idea raised, but also it has been overtaken by China to become world number three unexpectedly. History may not be repeated, but Japan case possibly would a very good mirror to reflect what China case will be, especially when the focus was put on the great financial debt. Therefore, it is very hard for China to become world number one economy any time soon based on this kind of economic status.

AIIB and OBOR Don't Help Much in Enhancing China's Power Status

With regard to China's world leadership, two factors that should be paid great attention to are Asian Infrastructure Investment Bank (AIIB) and "One Belt and One Road Initiative" (hereinafter referred to as OBOR), which are two very ambitious plans for China to play more dominant role in world affairs. As David Dollar argued that "some of the impetus for China to launch the new Asian Infrastructure Investment Bank was Beijing's concern that the governance structure of existing International Financial Institutions (IFIs) was evolving too slowly."⁵⁶ If that is the case, it means that China is eager to challenge the current international financial rule set by the Western countries with strong intention of being a revisionist power according to the definition of power status.

Due to China's frustration on governance structure of existing IFIs, as David Dollar mentioned, the AIIB has a non-resident board that meets periodically both in Beijing and via videoconference with a likely compromise among the countries that have signed up in order to approve many of the initial projects and eventually delegate more decision making to management.⁵⁷ This could explain why there is enthusiastic response of developing countries in Asia to the AIIB concept, because it reflects their sympathy with the idea that a new governance structure can have good safeguards and still be quicker and more efficient than existing ones.⁵⁸ It is also understandable for some of the Western commentary on the AIIB to express a fear that China will use it for narrow political or economic ends.⁵⁹

However, this scenario is going to happens that must be under the circumstance that all member states are developing countries; otherwise it is hard to imagine how China could use its capacity for narrow political or economic ends. As David Dollar said, "now that a diverse group of nearly 60 countries have signed up, it would be difficult for China to use the AIIB to finance projects in favored countries over the exclusion of other members; and the idea that this would help with China's over-capacity problems does not make any sense at all."⁶⁰

Furthermore, InjooSohn also argued, although the AIIB is part of China's sophisticated attempts at reshaping the prevailing international monetary order, it is compatible with existing global and regional institutions.⁶¹ That is to say, the establishment of AIIB does help China enhance its capability to influence international monetary governance, but it is too early to conclude that China is ready to shape the world order by changing international monetary rules due to the structure limit of AIIB as well as China's own power limit.

Since AIIB doesn't help much in enhancing China's power status to be a revisionist state, at least not for the time being, the next question will be whether OBOR is able to help China strengthen its power status with dominance in international affairs in the 21st century. In order to answer the above question, firstly this section will introduce

⁵⁵ Ezra Vogel, *Japan as Number One: Lesson for America*, (Lincoln, NE: iUniversity Press, 1979).

⁵⁶ David Dollar, "China's rise as a regional and global power: The AIIB and the 'one belt, one road'", July 15, 2015.

<https://www.brookings.edu/research/chinas-rise-as-a-regional-and-global-power-the-aiib-and-the-one-belt-one-road/>, Accessed May 16, 2018.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ InjooSohn, "AIIB: A Plank in China's Hedging Strategy", May 11, 2015,

<https://www.brookings.edu/opinions/aiib-a-plank-in-chinas-hedging-strategy/>, Accessed May 16, 2018.

what is OBOR all about from Chinese official perspective. Secondly, it is to focus on its objective and implication of China's dominance in the world. Thirdly, it is to focus on prospect and pitfalls in reality.

According to the "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road" (hereinafter referred to as Vision and Actions) issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China in 2015, OBOR was raised by Chinese President Xi Jinping when he visited Central Asia and Southeast Asia in September and October of 2013.⁶² Based on "Vision and Actions" document, OBOR "aims to promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries along the Belt and Road, set up all-dimensional, multi-tiered and composite connectivity networks, and realize diversified, independent, balanced and sustainable development in these countries."⁶³

With regards to economic affairs, OBOR "is aimed at promoting orderly and free flow of economic factors, highly efficient allocation of resources and deep integration of markets; encouraging the countries along the Belt and Road to achieve economic policy coordination and carry out broader and more in-depth regional cooperation of higher standards; and jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all."⁶⁴ If OBOR works well as Chinese leader expected, it is fair to say that China definitely will become great again. As Malcolm Davis assessed, "The 'One Belt, One Road' initiative is a key element of Chinese grand strategy and peripheral diplomacy that promotes interdependent development between China and its neighbors, and which ties their success to China's rise. The Silk Road initiatives will open up new markets and ensure that China has access to resources essential to realize the China Dream. In that sense, all roads lead to Beijing to place China once again firmly as a 21st Century Middle Kingdom."⁶⁵ If that is the case, when Middle Kingdom is in place again that means the end of the Western World.

OBOR is now under way and financing not only comes from major Chinese-sponsored sources, such as the Silk Road Fund, AIIB, New Development Bank, but also from official and multilateral sources, such as the China Development Bank and the China Export-Import Bank.⁶⁶ According to available data, projects that will be ultimately cost \$900 billion are under way, such as the flagship projects with transportation infrastructure investment in the China-Pakistan Corridor, a 3,000 km high-speed rail line between China and Singapore, gas pipeline across central Asia, the main rail connections to Europe under completion, ancillary lines connecting China to Iran.⁶⁷

Not only were major infrastructure projects of OBOR under way, but also Belt and Road Forum for International Cooperation was attended by more than 100 countries' delegate, including many heads of state.⁶⁸ Moreover, the Joint Communiqué of the Leaders Roundtable of the Belt and Road Forum for International Cooperation further "emphasized the importance of 'upholding the spirit of peace, cooperation, openness, transparency, inclusiveness, equality, mutual learning, mutual benefit, and mutual respect by strengthening cooperation on the basis of extensive consultation and the rule of law, joint efforts, shared benefits and equal opportunities for all.'"⁶⁹

It seems that OBOR initiative are working well both in hardware and software. Does it mean that OBOR initiative has not yet faced any problems at all? However, the real world is not like fairy tale, the marriage of prince and princess will not eventually lead to happy life afterwards.

⁶² National Development and Reform Commission of PRC, "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road", March 28, 2015, http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html, Accessed May 16, 2018.

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ Malcolm Davis, "China's Rise to Great Power Status in Asia: Worth Going to War to Protect?", *National Interest*, October 19, 2015, <http://nationalinterest.org/print/blog/the-buzz/china%E2%80%99s-rise-great-power-status-asia-worth-going-war-protect-14126>, Accessed May 16, 2018.

⁶⁶ Karim Pakravan, "China: OBOR and the Pursuit of Superpower Status", Feb 27, 2018 <https://econvue.com/pulse/china-obor-and-pursuit-superpower-status>, Accessed May 16, 2018.

⁶⁷ Ibid.

⁶⁸ YingHui Lee, "Xi's One Belt One Road: A Plan Too Big to Fail?", *The Diplomat*, Dec 08, 2017, <https://thediplomat.com/2017/12/xis-one-belt-one-road-a-plan-too-big-to-fail/>, Accessed May 14, 2018.

⁶⁹ Ibid.

As David Dollar argued, the economies of Central Asia are not that large, and the potential for investment is limited.⁷⁰ That is not the only one setback faced by the initiative; others are even harder to be handled by Chinese government.

As David Dollar further pointed out, “among the various developing countries along ‘One Belt, One Road’ routes, there are some with relatively strong governance—India, Indonesia, and Vietnam, for example—which will be hard for China to push around.”⁷¹ What’s more, those countries will not want to accept large numbers of Chinese workers or take on large amounts of debt relative to their GDP.⁷² It is hard to imagine that this setback will be resolved shortly which definitely will affect China’s dominance in the area. Actually major projects under the OBOR framework have faced setbacks and obstacles. For example, Nepal cancelled a deal with a Chinese company to build BudhiGandaki hydropower project and Nepal’s deputy PM accused the Chinese company of irregularities.⁷³ Shortly after, Pakistan has asked China to take the project out of the \$60 billion China Pakistan Economic Corridor—a project of OBOR—and allow it to build the dam on its own; the reason is that it found China’s conditions exploitative.⁷⁴

Based on the cancellation, YingHui Lee raised a very key question “if even China’s long-lasting ally-Pakistan feels uncomfortable about the terms of cooperation with China, what about other countries?”⁷⁵ In other words, it is less optimistic for China to fulfill the ambitious goals of OBOR. Under such circumstance, it is also will delay China’s dominance in the world affairs in 21st century, at least China need more time to take the leadership of the world if that is in its plan. Apart from what happened in the South Asia with no good news, the projects of OBOR in Southeast Asia don’t look promising either. As Joshua Eisenman argued, “without on-site accountability, environmental degradation and community displacement, which have already become problems with China’s projects in Southeast Asia, are likely to fuel local resistance.”⁷⁶

More serious is that it was reported by Handelsblatt that 27 out of 28 EU ambassadors to China signed a report criticizing China’s Belt and Road Initiative (BRI).⁷⁷ It is unclear why the report would release, and whether Handelsblatt saw a draft of the report or a finished version.⁷⁸ However, if Handelsblatt’s claims turn out to be true, as Ravi Prasad argued, it will mark one of the biggest setbacks the BRI has seen to date, because Europe is the final frontier of the land routes central to the BRI.⁷⁹ It seems that OBOR faced difficulties all the way from the very beginning to the end on the Belt.

KarimPakravan also showed two big problems of OBOR. The first problem is the imbalance among the level of socio-economic and political development of the OBOR countries, and the injection of massive amounts of cash into these fragile countries in a short amount of time can only amplify these problems.⁸⁰ The second problem is the degree of exposure of the Chinese financial institutions to the OBOR projects, it is to expect significant pressures on both bilateral and multilateral Chinese financial institutions in the form of massive write-offs.⁸¹ These two big problems definitely would increase China’s financial burden which would drag China down from rising to take the world leadership soon.

⁷⁰ David Dollar, “China’s rise as a regional and global power: The AIIB and the ‘one belt, one road’”.

⁷¹ Ibid.

⁷² Ibid.

⁷³ The Economic Times, “China’s dream of global dominance is cracking at early stages”, *The Economic Times*, Nov 17, 2017, <https://economictimes.indiatimes.com/news/international/world-news/chinas-dream-of-global-dominance-is-cracking-at-early-stages/articleshow/61688830.cms>, Accessed May 18, 2018.

⁷⁴ Ibid.

⁷⁵ YingHui Lee, “Xi’s One Belt One Road: A Plan Too Big to Fail?”,

⁷⁶ Joshua Eisenman, Devin T. Stewart, “China’s New Silk Road Is Getting Muddy”, *Foreign Policy*, Jan 9, 2017, <http://foreignpolicy.com/2017/01/09/chinas-new-silk-road-is-getting-muddy/>

⁷⁷ Ravi Prasad, “EU Ambassadors Condemn China’s Belt and Road Initiative”, *The Diplomat*, April 21, 2018, <https://thediplomat.com/2018/04/eu-ambassadors-condemn-chinas-belt-and-road-initiative/>. Accessed May 31, 2018.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ KarimPakravan, “China: OBOR and the Pursuit of Superpower Status”.

⁸¹ Ibid.

Just like AIIB, OBOR started with ambitious goal to reach and were welcome by many developing countries, even some developed countries. None the less, when the projects of OBOR have been put into practice, problems emerge. Those problems definitely will slow down the pace of China to be the world leader. It does not mean that China has no chance to take the leadership from US's hand, but it eventually means that the time will not be coming soon as expected.

China Has Not Yet Set the Values for the World to Follow

Martin Jacques argued that one of the characteristics of American global hegemon is American values-individualism, democracy, human rights, neoliberalism, neo-conservatism, the market, freedom or the frontier mentality.⁸²In other words, if China wants to rule the world, it needs to establish China's values for the rest of the world to follow.

As Martin Jacques further pointed out that the legacy of the tributary state system and a community-based collectivism and a far more family-orientated culture can be China's values to inspire the world to follow.⁸³ The question is whether Chinese leaders have said it or intended to go for it. Up to now, as Zbigniew Brzezinski mentioned that China has not articulated an ideological dogma that would make its recent performance appear universally applicable.⁸⁴

One of the leading scholars, who are believed to have close relations with decision-making circle in China, Wang Jisi argued that with the transformation of China's foreign policy, China's officials have said that China has a distinctive political system and ideology, but now they strongly wish to improve China's international image.⁸⁵ That is to say, China officials still look inward instead of outward following the rule "Hide brightness, cherish obscurity" set by former leader Deng Xiaoping.⁸⁶ The reason for them to look inward, as Wang Jisi explains, probably will be that Chinese leadership does not dream of turning China into a hegemon or a standard-bearer.⁸⁷

This kind of position can also be found on Chinese scholars' responses to the "Beijing consensus" which was initiated by Joshua Cooper Ramo in May 2004.⁸⁸ Ramo indicated that China is marking a path for other nations around the world who are trying to figure out not simply how to develop their countries, but also how to fit into the international order in a way that allows them to be truly independent, to protect their way of life and political choices in a world with a single massively powerful center of gravity.⁸⁹

Joshua Cooper Ramo also admitted that the aim of raising "Beijing consensus" is to replace the widely-discredited "Washington consensus", an economic theory made famous in the 1990s for its prescriptive, Washington-knows-best approach to telling other nations how to run themselves.⁹⁰ In a sense, China's scholars should have responded to "Beijing consensus" with the most positive way due to self-pride, but they react to that idea more cautiously instead. As Yu Keping pointed out that he likes to use "China's model" instead of "Beijing consensus", because he believes that the basic meaning of "consensus" is widely accepted or agreed-upon solution, and "model" refers to a series of development strategies, systems and concepts with a distinctive feature.

⁹¹In other words, he does not think that China's development experience has been widely recognized and agreed, "China model" may be more appropriate to describe the experience. ZhuangJunju said that three reasons for

⁸²Martin Jacques, *When China Rules the World: The Rise of Middle Kingdom and the End of the Western World*, p.367.

⁸³Martin Jacques, *When China Rules the World: The Rise of Middle Kingdom and the End of the Western World*, pp.374-399. China's values also see Azar Gat, "Which Way Is History Marching? Debating the Authoritarian Revival", *Foreign Affairs*, Vol. 88, No.4, July/August 2009, pp.151-155.

⁸⁴Zbigniew Brzezinski, "Balancing the East, Upgrading the West: U.S. Grand Strategy in an Age of Upheaval", *Foreign Affairs*, Vol. 91, No.1, January/February 2012, pp.97-104.

⁸⁵Wang Jisi, "China's Search for a Grand Strategy: A Rising Power Finds Its Way", *Foreign Affairs*, Vol. 90, No.2, March/April 2011, pp.68-79.

⁸⁶Deng Xiaoping's dictum quoted from Elizabeth C. Economy, "The Game Changer: Coping With China's Foreign Policy Revolution", *Foreign Affairs*, Vol. 89, No.6, September/December 2010, pp.142-143.

⁸⁷Wang Jisi, "China's Search for a Grand Strategy: A Rising Power Finds Its Way", pp.74-77.

⁸⁸Joshua Cooper Ramo, *Beijing Consensus: Notes on the New Physics of Chinese Power*, (London: Foreign Policy Centre, 2004), p.3-4.

⁸⁹ Ibid.

⁹⁰ Joshua Cooper Ramo, *Beijing Consensus: Notes on the New Physics of Chinese Power*, p.4.

⁹¹Yu Keping, "zhongguomoshi: jingyanyujianjie"(China's model: experience with warning), Yu Keping, eds. *zhongguomoshiyu Beijing gong shi: chaoyuehuacheng dun gong shi*, (China's Model and Beijing Consensus: Beyond the Washington Consensus), Beijing: she huikexue wen xianchu ban she, 2006, pp.11-20.

him not to advocate the idea of “Beijing consensus”. The first is that “consensus” has been used too much to carry serious meaning. The second is that there is strong political motivation behind “consensus” which should not be considered as a conclusion for the China’s economic development experience. The third is that “China’s model” relatively implies the way and foundation of China’s economic development, so it is much more suitable to draw a conclusion for China’s development experience.⁹²

Even though ZhuangJunju thought that “China model” is more appropriate to draw a conclusion for China’s development experience, some mainland scholars did not believe that it is about time to reach a conclusion on that. That is the reason why they prefer to use “China’s model” rather than “Beijing consensus”, because China’s development model is still in the process to the end, which should not be applied to the outside world without a clear conclusion. As Hu Angang pointed out that China’s development model evolves from time to time, it is not mature enough to become a pattern.⁹³ Hu Angang further indicated that they are on the very early stage to get to know the model, not really able to understand it, and have to put much effort to reach a conclusion for that.⁹⁴ Yu Keping also argued that “China model” is not completely formed; time is needed to explore the whole picture of the model.⁹⁵ Similar viewpoint can be found in Cai Fang’s work, he said that the “China model” is being built, has not yet been formed, and has not yet been recognized in the world, it faces many questions and challenges.⁹⁶

After experiencing reform and opening up policy for around 40 years in China, it is supposed to be very easy for China’s scholars to reach a conclusion of China’s developmental model. In reality, it is very hard for them to conclude the developmental model at the certain point, because what they follow is the principle of “cross the river by touching the stone” set by Deng Xiaoping. Therefore, they do not know when they are able to touch the final stone in order to draw a conclusion. Xi Jinping, general secretary of the CPC Central Committee, once said, “We should not let the new type of relations stay as a concept or stop at its early harvest. We should push it forward.”⁹⁷ This statement seemingly means that Chinese leaders want to change the status quo of the world order. None the less, his statement of “China’s international status as the world’s largest developing country has not changed” at the 19th National Congress of the Communist Party of China (CPC) is telling another story.⁹⁸ How can a big developing country lead the world order with a bunch of developed countries? It is apparent that China leaders don’t want to take over US leadership of world order yet. As a consequence, it is fair to say that China will not be ready to lead the world soon, unless they have come out with some universal value.

Conclusions

After reviewing whether China is a status quo power or revisionist power, one can easily reach the conclusion that China has not yet become a revisionist power. Reason for that is: China may not be satisfied with international institutions set by the West and willing to change the rule of game, but it has not done so due to without enough capability and strong will.

Therefore, it is fair to say that China is currently a status quo power with revisionist orientation. However, when China will play the leading role in world affairs remained as a very essential question to be answered. Many observers believe that China will replace the U.S. as the leading power in the world around 2030, since the U.S. is on the decline due to being hurt badly by the global financial crisis of 2008. However, there are also some observers who do not believe that the world system will be led by China instead of the U.S. in the twenty -first century.

⁹²ZhuangJunju, “Beijing gong shiyuzhongguomoshiyanjiu”(Research of China’s Model and Beijing Consensus), Yu Keping, eds. *zhongguomoshiyu Beijing gong shi: chaoyuehuacheng dun gong shi*, (China’s Model and Beijing Consensus: Beyond the Washington Consensus), Beijing: she huikexue wen xianchu ban she, 2006, pp.168-188.

⁹³ Hu Angang, “dui zhongguozhilu de chuburenshi”, (The Primary Knowing of China’s Way), Huang Ping and Cui Zhiyuan, eds, *zhongguoyuquanqihua: huacheng dun gong shihaishi Beijing gong shi*, (China and Globalization: Washington Consensus or Beijing Consensus) Beijing: she huikexue wen xianchu ban she, 2005, pp.146-178.

⁹⁴ Ibid.

⁹⁵ Yu Keping, “zhongguomoshi: jingyanyujian jie”, p.13.

⁹⁶ Cai Fang, “tan suozhong de zhongguomoshi” (Exploring China’s Model), Yu Keping, eds. *zhongguomoshiyu Beijing gong shi: chaoyuehuacheng dun gong shi*, (China’s Model and Beijing Consensus: Beyond the Washington Consensus), Beijing: she huikexue wen xianchu ban she, 2006, pp.319-327.

⁹⁷ Xinhua News, “The top 10 quotes of Xi on China-U.S. ties”, Sep 14, 2015, http://www.xinhuanet.com/english/2015-09/14/c_134623163.htm, Accessed May 18, 2018.

⁹⁸ Xinhua News, “Commentary: Why is China still a developing country?”, Jun 5, 2018, http://www.xinhuanet.com/english/2018-06/05/c_137231686.htm, Accessed Jun 18, 2018.

There is little doubt about the declining U.S., but it does not mean that it will necessarily lead to the change of world's leading power. Not to mention that the world's largest economy for China is still not a sure thing.

China did a good job to overcome the setback of global financial crisis of 2008; however, it does not mean that China economic development will not face any difficulties in the future. More and more observers have found out that state capitalism which was adopted by China as a new way to developing economy will likely expand, and continue to exert a growing influence on the shape of the global economy, but it will also generate a new crisis of its own. As many experts can see that China's formula for rapid growth has depended on repressing the income of ordinary Chinese in order to dispense subsidized capital to favored investors, including state-owned enterprises and well-connected entrepreneurs. However, this formula distorts international trade patterns and will inevitably lead to protectionism against Chinese exports, and will bring China's favored trade status today to an uncomfortable end, and GDP growth will fall well below recent levels. The trade war between US and China proved that the above argument is correct. If China no longer has strong economic growth, how can it rule the world?

There have not been many doubts about the decline of the U.S. since the global financial crisis happened in 2008. However, whether the decline of the U.S. will lead to the world system to be led by China is still questionable. There are two ways to question China's capability to rule the world. One way is that the liberal world order will remain and be led by the U.S. despite financial setback of 2008. The other way is that China is not really ready to bear the responsibility to tackle global problems, such as nuclear proliferation in North Korea and Iran; China is also not ready to get more involvement in the international financial market by freely converting renminbi into foreign currency and vice versa. It is fair to say that the world system will still be led by the U.S. for some time, since there are no signs for China to get more involvement in world affairs politically and economically.

Both AIIB and OBOR are very significant plan for China to take the world leadership from the US hand if they are succeeded. They have a very good start with being welcome not only by developing countries, but also some developed countries. However, both AIIB and OBOR has faced setbacks and obstacles in putting projects into practice more or less which delay China from rising as a leading global power in the world. That is to say, both AIIB and OBOR don't help much for China to enhance its power status as expected. If China wants to rule the world, one thing needs to be done is that China has to set common values for the rest of the world. Legacy of the tributary state system and a community-based collectivism and a far more family-orientated culture can possibly be China's values to inspire the world to follow. However, China's officials now strongly wish to improve China's international image instead of applying China's values to the rest of the world following the rule "Hide brightness, cherish obscurity" set by former leader Deng Xiaoping.

Same position can be found on Chinese scholars' responses to the idea of "Beijing consensus". China's scholars admitted that they prefer to use "China's model" rather than "Beijing consensus", because the former one is still under building which is much more appropriate to describe the current situation of China development experience. Another reason for China's scholars not to use "Beijing consensus" is that they mentally are not ready to set the example for the rest of the world to follow, so that they do not consider China's development experience as widely accepted or agreed-upon solution to the economic problems for the world. Above all, it is very hard for a big developing country to lead the world order with lots of developed countries.

In a word, it is hard to jump to a conclusion that China is ready to rule the world, for its status of the world's largest economy is not a sure thing, the liberal world order will still be led by the U.S., AIIB and OBOR don't help China much in enhancing its power status, and China has not set the common values with Chinese characteristics for the rest of world to follow.

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