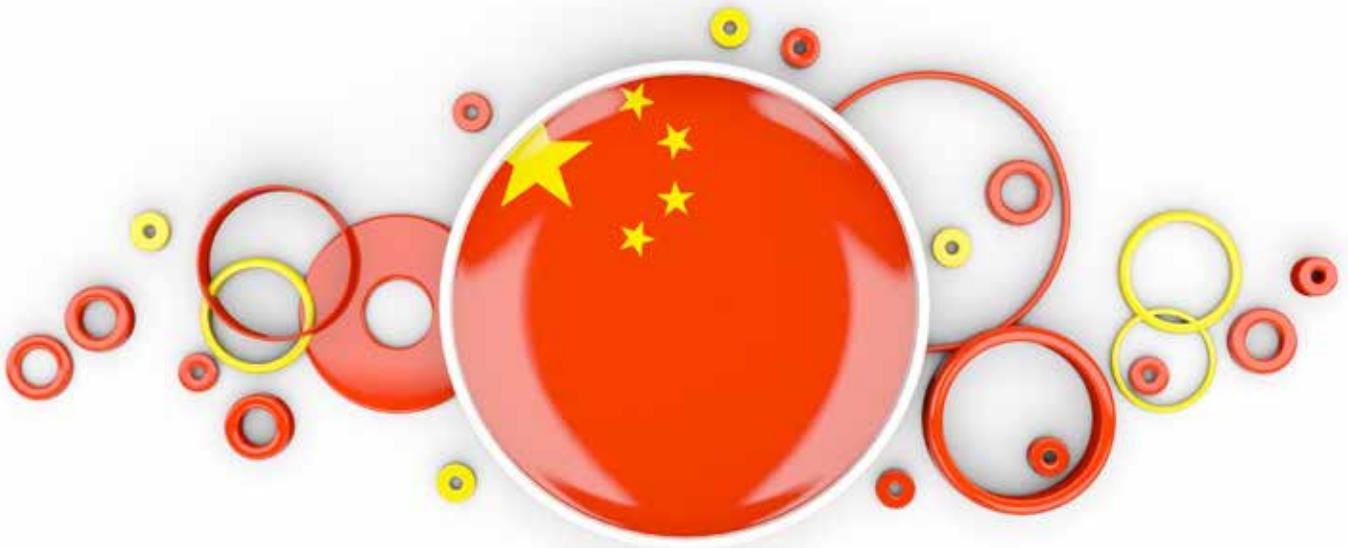


CIGI Papers No. 233 – November 2019

China's New Concept of Global Governance and Action Plan for International Cooperation

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About Global Economy

Addressing the need for sustainable and balanced economic growth, the global economy is a central area of CIGI expertise. The Global Economy initiative examines macroeconomic regulation (such as fiscal, monetary, financial and exchange rate policies), trade policy and productivity and innovation policies, including governance around the digital economy (such as big data and artificial intelligence). We live in an increasingly interdependent world, where rapid change in one nation's economic system and governance policies may affect many nations. CIGI believes improved governance of the global economy can increase prosperity for all humankind.

Acronyms and Abbreviations

ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China and South Africa
CMPort	China Merchants Port
FTA	free trade agreement
G7	Group of Seven
G20	Group of Twenty
IMF	International Monetary Fund
NDRC	National Development and Reform Commission
SCIO	State Council Information Office
TPP	Trans-Pacific Partnership
WTO	World Trade Organization

Executive Summary

Since 2013, the Chinese government under President Xi Jinping has adopted a proactive approach to global governance and is committed to playing a leadership role to take on more international duties. China has proposed a series of new concepts and approaches on the issue of global governance, as well as an action plan for the next five to 10 years to push forward on reforming and strengthening the existing global governance institutions.

China's concepts of global governance are the community of shared human destiny; a new type of international relations; an international win-win partnership; and the principle of mutual consultation, co-building and sharing. The Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative (BRI) are the best examples of China's proactive concepts and plans for global governance reform.

The key to the success of China's concept of global governance lies in managing US-China strategic competition and forming a consensus on international governance system reform. China's global governance policy provides opportunities for Canada-China cooperation on reforming and strengthening international institutions.

Introduction

Since 2013, the Chinese government under President Xi has adopted a proactive approach to global governance and is committed to playing a leadership role to take on more international duties. The concept of global governance is becoming more popular in China (along with the concept of international public goods). Chinese decision makers seem to believe that becoming a new provider of international public goods will not only serve the interests of China, but also the interests of the international community. The AIIB and the BRI are the best examples of China's new approach to the issue of international development and global governance reform. These initiatives reflect Chinese concepts and solutions related to global governance, including

the community of shared human destiny and an international win-win partnership.

The experience of participating in the Group of Twenty (G20) process after the global financial crisis of 2008 has given Chinese leaders the impetus and confidence to take on a leadership role in global governance affairs (Y. He 2015). The G20 at the leaders' level emerged in response to the impacts of the crisis and became the "premier" platform for global economic governance, which has been more inclusive with China and other emerging economies involved in the multilateral process. China, along with other emerging economies, has actively promoted the reform of the Bretton Woods institutions, such as the International Monetary Fund (IMF) and the World Bank, and progress has been achieved. China successfully hosted the G20 meetings in 2016, boosting its influence on global economic governance to a new level.

China has taken a bold approach in setting up new development financing and infrastructure initiatives. In 2013, President Xi proposed two major initiatives, the AIIB and the BRI, which have received a positive response from the international community. China makes it clear that it does not intend to establish an alternative international system to replace the Bretton Woods system; these new regional development initiatives have functioned to promote the reform of the existing international governance institutions. From the reform perspective, the country has achieved some remarkable success, although some critical opinions have emerged recently, in particular on the debt issue of some BRI projects (Ching 2018; Moak 2018). In addition to the area of global economic governance, China has played a leadership role in pushing forward climate change negotiations and the approval of the Paris Agreement, financing UN institutions and expanding its contribution to the peacekeeping mission and efforts to fight Ebola in Africa.

China has proposed the guiding ideas behind its proactive approach to global governance: the community of shared human destiny; a new type of international relations; and the principles of mutual consultation, co-building and sharing. China values these ideas and principles as the basis of the desperately needed consensus about any fair, inclusive and effective global governance structure.

More recently, China has urged the international community to be aware of the danger and harm of

rising populism and protectionism in the world. It attaches more significance to maintaining and reforming the existing global governance institutions, which have formed the foundation for today's global economy. However, China sees more opportunities than challenges in the development of "de-globalization," and by taking on more international obligations China will have a greater opportunity to play a leadership role in shaping a new system of global governance.

The BRI and the AIIB: Experiments in China's New Approach to Global Governance

The BRI

Less than one year after taking office, President Xi announced two initiatives: the Silk Road Economic Belt (during a visit to Kazakhstan in September 2013), and the 21st Century Maritime Silk Road (during his visit to Indonesia in October 2013, where he attended an Asia-Pacific Economic Cooperation [APEC] leaders' meeting and paid a state visit). Later, these two initiatives were called One Belt, One Road and then renamed the BRI. It is noteworthy that Xi announced the initiative of establishing the AIIB in his speech to the Indonesian Congress during his 2013 visit, in addition to the policy idea of the maritime silk road (Xi 2013).

As President Xi suggested, Southeast Asia should be one area of focus for BRI cooperation, and China and Association of Southeast Asian Nations (ASEAN) countries should make good use of a China-ASEAN maritime cooperation fund to strengthen maritime cooperation and build the 21st Century Maritime Silk Road (ibid.).

After one-and-a-half years of deliberation, the three ministries of the Chinese government (the National Development and Reform Commission [NDRC], the Ministry of Foreign Affairs and the Ministry of Commerce) jointly released the BRI guidelines in March 2015 (NDRC, Ministry of Foreign Affairs and Ministry of Commerce 2015). The guidelines

elaborate that the initiative has the ambition of going through the world's longest economic corridor (originating in China and including central Asia, Southeast Asia, south Asia, west Asia and part of Europe), linking the Asia Pacific economic circle in the east end of Eurasia and the European economic circle in its west end. Connected by enhanced infrastructure projects, the blueprint suggests that this economic corridor should connect about 65 countries and areas along the ancient Silk Road or the belt and road lines. It is believed to be the world's most promising economic zone, and all of these countries share a wide range of common interests in economic development, improving people's livelihood and coping with the financial crisis and economic restructuring (ibid.).

The land-based economic belt of the Silk Road has focused on the connectivity between China and Europe (the Baltic) through central Asia and Russia; between China and the Persian Gulf and the Mediterranean through central Asia and west Asia; and between China and the Indian Ocean via Southeast Asia and south Asia. The 21st Century Maritime Silk Road calls for linking China's seaports to the South China Sea, the Indian Ocean and Europe, and as a submarine route linking China's coastal ports to the South China Sea as well as the southern Pacific Ocean (ibid.). In recent years, China and Russia have collaborated on exploring the possibility of opening regular shipping lanes through the Arctic Ocean to shorten the distance and time of transportation from east Asia to Europe, which is called the Polar Silk Road project (State Council Information Office [SCIO] 2018).

Specifically, the guideline highlights the need to establish linkages among the existing infrastructure projects of different countries along the routes, which are already in the planning stages or have been executed. These connectivity projects or proposals form a long list, including the APEC connectivity program, the ASEAN interconnection plan, the Trans-Asian Railway network, the Pan-Asian energy grid, the Greater Mekong Subregion connectivity program, the BCIM (Bangladesh, China, India and Myanmar) economic corridor and the China-Pakistan economic corridor. The Chinese BRI blueprint urges all related countries to actively participate in building the maritime and land-based Europe-Asia channels, and work together to construct a pan-Asian energy network system, with the belief that all the partners involved will

greatly benefit from these projects (NDRC, Ministry of Foreign Affairs and Ministry of Commerce 2015).

More importantly, the blueprint of 2015 set out the five major goals that the BRI should achieve: promoting policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds (ibid.). These objectives can also be seen as the instruments to push forward the general ideas of the BRI (Yong Wang 2016a).

The AIIB

The AIIB is a China-led multilateral development bank that provides funding to Asian governments to support infrastructure development. Headquartered in Beijing, the AIIB has total capital of as much as US\$100 billion, and it claims to value core principles such as openness, transparency, independence and accountability, and its mode of operation, according to its official website, is “Lean, Clean and Green.”

Like the BRI, the idea of the AIIB originated during President Xi’s visit to Indonesia in October 2013. In a meeting with Indonesian President Susilo Bambang Yidhoyono, Xi initiated the establishment of the AIIB to promote the interconnection and economic integration process and provide funding for infrastructure development to developing countries in the region. Xi stated that the new AIIB will work with existing multilateral development banks to jointly promote the sustained and stable development of the Asian economy. Susilo responded positively to China’s initiative, and it was well received by developing countries in Asia. By November 2014, 22 Asian economies had officially signed a memorandum of understanding for the establishment of the AIIB. In March 2015, the United Kingdom signed on to become a founding member, playing a tipping-point role, prompting more European countries, including Switzerland, France, Italy and Germany, to join the AIIB (Haggard and Kuo 2016). The AIIB began operations in January 2016 and has now grown to 100 approved members worldwide.¹

The founding members of the AIIB (including some US allies) supported the Chinese initiative, mainly driven by the following considerations. First, China’s initiative is in line with the development needs of the region. The Asian economy accounts for one-third of the global economy and 60 percent of the world population, but the great potential of the

region has been constrained by serious shortages of infrastructure such as railways, highways, bridges, ports, airports and communications. All the economies inside and outside the region will benefit from the expanding investment in infrastructure.

Second, the existing multilateral and regional development financing institutions cannot meet the requirements for infrastructure development. According to estimates by the Asian Development Bank (ADB), the demand for investment in infrastructure among Asian countries is estimated to be at least US\$8 trillion in the 10 years from 2010 to 2020, with an average annual investment of US\$800 billion (Bhattacharyay, Masahiro and Nag 2012). However, the existing multilateral development banks have a total capital of only US\$383 billion (about US\$160 billion from the ADB and US\$223 billion from the World Bank), and, in reality, these two development banks can provide only about US\$20 billion a year. It is easy to see how huge the gap has been (L. Wang 2014).

Third, the US-led Bretton Woods-system institutions are generally unable to adapt to the new reality of the global economy, and disappointment and frustration has gradually increased about the slow pace of reform of the system, the US resistance to reform and the abuse of financial power imposing sanctions on the financial institutions of other countries (Yong Wang 2015; Haley 2017). Since the US Congress boycotted the IMF quota reform for years, most G20 members decided to explore plan B (Subacchi and Pickford 2015).

Fourth, the AIIB leadership, with the endorsement of the Chinese government, is determined to build the AIIB as a world-class multilateral development bank that follows the principles of transparency, openness, accountability and independence. This promise clearly convinced the European countries to throw their support behind the AIIB.

All of these factors drove European countries, as well as countries such as South Korea and Australia, to join the AIIB, regardless of the US opposition (Yong Wang 2015; Runde 2015; H. Wang 2018).

China’s Contribution to International Public Goods

The BRI and AIIB have symbolized China’s new concept of and approach to global governance under the leadership of President Xi. With these two major initiatives, China’s new leadership has

¹ See www.aiib.org/en/about-aiib/index.html.

demonstrated a very different style and approach to the international community's growing expectation that China should take a leadership role in international affairs, and proactively shape the international environment with greater uncertainties (A. He 2016). Compared with the period of Hu Jintao and Wen Jiabao, the degree of change and adjustment of China's policy on global governance has been remarkable. During the Hu-Wen era, the focus was more on the role of China as an active "participant" in global governance; at the same time, the country refused the responsibility of being a leading player that was expected by the international community during the period after the global financial crisis. For example, Premier Wen publicly disclaimed the idea of a Group of Two (China and the United States) as "not a good idea," by confirming that China preferred the idea of the G20 with more major economies sharing the burden of tremendous adjustment and leadership costs (Cong 2009).

In the Chinese view, the AIIB and the BRI are the new international public goods that China has contributed to the international community. They are perceived as a bold experiment in that China takes a leadership role in enhancing the global governance system by mobilizing its newly increased resources. The most important lesson that Chinese decision makers have learned from the experience of creating the BRI and, in particular, the AIIB, is that any effort to strengthen the global governance system should succeed if it meets the needs of the international community as well as its own interests, although in practice it can be more difficult in international politics (Xi 2016; H. Wang 2018).

Clearly, the initiatives of the AIIB and the BRI serve the interests of both developing countries in Asia and beyond, as well as China's interests. While Asian developing countries desperately seek investment in infrastructure for growth and to lift people's standard of living, China needed to address the problem of the slowing of the Chinese economy and two major headaches — overcapacity and excessive foreign exchange reserves as a result of imbalanced growth over the years. In order to cope with the global financial crisis, the Chinese government implemented a stimulus package as high as four trillion renminbi in 2009, worsening the structurally imbalanced development of the Chinese economy (L. Wang 2014; Chin 2015; Dollar 2015). The common

interests of China and the countries participating in the BRI set a practical foundation for international cooperation focusing on infrastructure projects, despite the critical assessments of some specific projects of the BRI (Ching 2018).

The Chinese leadership had strategic intentions when making decisions about the two initiatives. When President Xi came to power in 2013, he faced the deterioration of relations with neighbouring countries caused by territory disputes, which the Obama administration took advantage of to carry forward the US pivot to Asia and the later rebalancing strategy to offset China's rising influence in the Asia Pacific. Additionally, the US-led Trans-Pacific Partnership (TPP) talks increased the imperative Chinese decision makers felt to find effective ways to cope with the US strategic pressure (Ross 2012; Yong Wang 2013). The Chinese leadership recognized that strengthening development cooperation, and hence expanding China's participation in global governance, can be a smart confidence-building strategy to reassure the neighbouring Asian countries (J. Wang 2012). The implementation of the AIIB and the BRI has greatly expanded the "circle of friends," which increases confidence in the rise of China (Chin 2015; Yong Wang 2016a). The United States also moderated its assessment of these two Chinese initiatives; one study argued that "US responses to the BRI under the Obama administration, and initially under the Trump administration, were benign and even positive at times" (Wuthnow 2018). The Trump administration sent a high-level delegation to the meeting of the Belt and Road Forum for International Cooperation held in Beijing in May 2017. Although the United States has turned toward pursuing its own infrastructure program under the Indo-Pacific Strategy to counterbalance the influence of the BRI, international development could become one of the areas where China and the United States may conduct a dialogue and collaborate and cultivate the necessary political trust; however, the trade conflict since March 2018 has dramatically decreased the possibility of any US-China compromise on the BRI.

Compared to the AIIB, the BRI has resulted in more skepticism and criticism in some countries, the United States in particular. While the Chinese side tends to define the BRI as China's contribution to development cooperation and efforts to enhance multilateralism, critics argue that the BRI is China's Marshall Plan — that China is attempting to build

an alternative world order to replace the one led by the United States after World War II. Others suggest that the BRI is actually a “debt trap,” which has caused significant debt problems for developing countries such as Sri Lanka, which is not able to pay back China’s loans, but has had to extend the Hambantota Port lease period.² To some critics, the AIIB has followed a high-standard multilateral development bank model, which can supplement the existing global economic governance system (Griffiths 2019). In response to these criticisms, the Chinese side insists that the BRI is a long-term proposal made by China, calling for all countries to cooperate to promote universal economic development to tackle the problem of “development deficit,” a major challenge to the whole world today. With commitments to provide more loans and assistance on key infrastructure projects, China will make a contribution to the goal of expanding interconnectivity, tapping the great growth potential of the regional and global economy. Because so many countries and international organizations are interested in participating in the BRI and related projects, it has become a significant platform for multilateral cooperation and a way to strengthen multilateralism, which is even more desirable during this period of rising populism and protectionism. As for the so-called debt trap issue, according to some studies, it is not China that has caused the overall debt problem in countries such as Sri Lanka and the Philippines, but Japan, the United States and other developed countries that have accumulated the most debt burden to these countries over decades (Wang and Zhou 2018). As demonstrated in the second Belt and Road Forum for International Cooperation held in Beijing in May 2019, the Chinese government has taken the above skepticism and criticism into consideration and made some policy adjustments, including a greater emphasis on BRI projects that are “high quality,” green and sustainable (Xi 2019b).

2 The Hambantota Port is a maritime port in Hambantota, Sri Lanka. The first phase of the port was opened on November 18, 2010. In July 2017, the government of Sri Lanka signed a debt-for-equity swap agreement with the China Merchants Ports holding company (CMPort), leasing 70 percent of the Port to CMPort for 99 years. The large Chinese loans, inability of the Sri Lankan government to service the loans and subsequent 99-year Chinese lease on the port led to accusations that China was practising debt trap diplomacy. The Chinese side rebuked the accusation, arguing that the Hambantota port lease was not a result of any inability to service the loans, nor was it a debt-for-equity swap – the Sri Lankan government still owns the port. Actually, funds received for the lease were not used to repay port-related debt, but to pay off more expensive loans, generally to Western entities (Sautman and Hairong 2019).

Assessing New Challenges to Global Governance

Since China has benefited from the US-led international liberal order over the past four decades, it has supported the continuation of the current international system and, in particular, the international economic governance system, although it should be reformed to fit the changing global economy (Wang and Pauly 2013). China has substantially expanded its participation in global governance, mainly after the 2008 global financial crisis. As China’s rise in the global economy has accelerated, the country has taken the opportunity to embark on global economic governance represented by the G20 (Y. He 2015; Kirton 2016).

China’s political leaders and the intellectual community are obviously worried about the rise of populism and trade protectionism in developed countries, which could overturn economic globalization and destroy the international free trade environment. For them, the new challenges to global governance are mainly reflected in the following aspects. First, major Western powers, including the United States and the United Kingdom, have moved toward isolationism and protectionism, and their willingness to assume international responsibility has been weakened. After the global financial crisis in 2008, protectionism and populism grew in the West, in particular in the United States, where protectionist and populist sentiment contributed to the election of Donald Trump. Once Trump took office, he implemented the “America First” policy and withdrew the United States from the TPP, the UN Climate Change Paris Agreement, the Global Immigration Agreement and other multilateral commitments and, at the same time, the Trump administration launched a trade war on major trading partners. The so-called “Brexit” and the rise of right-wing parties in elections mirrors the increasing influence of populism, protectionism and isolationism more widely in Europe. These political changes in developed countries have made the global deficit of public goods more serious.

Second, the United States has been more reluctant to share power with emerging economies, having slowed and even blocked the needed reform of existing international institutions. After the global

financial crisis of 2008 broke out, the United States and European countries agreed that the G20 should replace the Group of Seven (G7) as the “premier forum” for global economic governance to obtain the cooperation of emerging economies; however, when the situation improved, the US Congress blocked the IMF’s quota reform for five years before it finally approved the reform scheme in 2015 (Yong Wang 2016b; H. Wang 2018), and the US “veto” power with the IMF remains intact (Cai 2015). The West, in particular the United States, has dragged its feet in carrying forward the promised reforms of the Bretton Wood system institutions in which it enjoys privileges. The reform of the international security system has been much slower, and the United States and its allies have adhered to the security alliance system formed during the Cold War, which has been closed to non-members. The efforts of China and other emerging countries to implement the concepts of “common security” and “cooperation security” regarding the international security order have not achieved much so far.

Third, the uneven economic growth among emerging economies has affected their overall influence in promoting reform of the international governance system. Since the beginning of the new millennium, the rise of emerging economies has changed the pattern of global power distribution and, accordingly, the global governance system. However, with the deepening of the structural adjustment of the global economy in recent years, the growth of some emerging economies has slowed down because of their dependence on the export of energy and minerals, and political and social chaos has intensified. In addition, the coordination between the largest emerging economies, China and India, has been constrained by border disputes, although their economies are in better shape than other BRICS (Brazil, Russia, India, China and South Africa) countries. As a result, the unity and synergy among the BRICs members has been weakened, and the momentum for reforming the existing international system has been gradually lost (Chen and Ye 2017).

Fourth, the “fragmentation” of international governance regimes hinders the transformation of global governance. On the issue of the multilateral trading system, the deadlocked World Trade Organization (WTO) Doha Round negotiations has prolonged the long-term stalemate between developed countries and developing countries, and the US government even proposed a “death penalty” for the Doha Round negotiations. The

United States, the European Union and Japan, developed country members of the WTO, have promoted the high-standard bilateral or plurilateral free trade arrangements such as the TPP and Transatlantic Trade and Investment Partnership, further “fragmenting” global trade governance. Trump’s protectionist unilateral trade policies bring more chaos to the rule-based world trading system represented by the WTO (Tu and Ruan 2017), although all sides are working for proposals of WTO reforms in the new context. This fragmentation also exists in the fields of international security and development.

Fifth, and most importantly, the gap between inadequate global governance and the growing demand for global public goods has increasingly widened. With the rapid development of globalization, religious and ethnic conflicts and geopolitical rivalry in hotspots have escalated. After the Arab Spring, some countries in the Middle East and North Africa fell into turbulence and civil war, and the political and military intervention of the West and regional powers have not been successful in rebuilding peace and order (Yang 2017). As an example, many refugees have flooded into Europe as a result of the Syrian civil war, making the social and political situation in Europe more complicated. Generally speaking, the worldwide disparity in development has become worse than before. The long-term lack of infrastructure investment in developing countries has caused serious problems, and some of these countries turned into so-called “failed states,” with some becoming hotbeds of terrorism. Due to the shortage of effective global governance regimes, global issues such as terrorism, climate change, epidemics, and drug and human trafficking are not effectively controlled. It is imperative to strengthen global governance mechanisms to increase the supply of international public goods. However, major countries, in particular the United States, have been more inward looking, and their will to provide international public goods has been largely weakened. Therefore, Chinese leaders anticipate that the development and global governance “deficit” pose challenges to our globalized world (Xi 2019a).

China’s public and leaders pay considerable attention to these challenges to effective global governance. There are different opinions on how to respond. While the government remains committed to playing a leadership role in addressing the shortage of international public goods, public opinion in

China has been more skeptical of proactive policies such as the AIIB and BRI, questioning whether or not such an approach is wise. Assisted by social media such as WeChat, the skeptical voices call for being cautious about the overreach of the BRI and foreign aid projects, and instead investing more resources on domestic education, medical services and poverty reduction (J. Luo 2018; Xiang 2018).

US skepticism and concern about China's growing influence in the world is another factor contributing to the debate in China. In December 2017, the Trump administration released a new National Security Strategy report, identifying China as a major rival, especially in terms of its economic and social development model (The White House 2017). US elites criticize the Chinese leader who has given up the previous strategy of keeping a low-profile foreign policy ("Tao Guang Yang Hui"), and the BRI is one of their targets (ibid.). They tend to interpret the BRI as competition in geopolitics, aimed at establishing a China-led alternative world order, but the Chinese tend to define it as an initiative of international development cooperation. On the other hand, the US policy toward China has been self-contradictory, that is, it hopes China will take on more international obligations (as they persuaded Chinese leaders to do before), but it also seems to be increasingly skeptical of the growing influence and power China may gain from taking on international obligations (Beaulieu and Dobson 2015). Facing a rising China, the United States should clarify its policy and make the wise political decision to collaborate with China in joint efforts to handle global challenges.

China's New Concept of and Approach to Global Governance

The 19th National Congress of the Communist Party of China in 2017 was a historic conference. It summarized the experience and lessons of foreign relations over the past decade, in particular after Xi Jinping took office and put forward the guidelines and strategies for China's foreign policy in the future. The main policies include promoting the diplomacy of a big country, promoting the reform of the global governance system and promoting China's

influence in international affairs by contributing more international public goods. Therefore, one can argue that China's foreign policy in the next five to 10 years is expected to be based on the central role of global governance: that is, China is determined to play a leadership role in world affairs by increasing its contribution to international public goods and enhancing the global governance structure. The Chinese government has clearly responded to the challenges posed by global issues and global governance — it has not avoided the international responsibilities it should take on as the second-largest economy in the world, although trade conflict and strategic competition has brought forth uncertainties to China's foreign policies.

The 19th Party Congress elaborated the logic and rationale of why China should implement the global governance-oriented diplomacy, by highlighting the big trends and new challenges regarding global governance transformation (Yang 2017). According to the 19th Party Congress, the contemporary world is undergoing unprecedented and profound changes, such as multipolarization, economic globalization, social informatization and cultural diversification. The rapid rise of emerging economies and developing countries has promoted a more balanced international power distribution. Given these global changes, strengthening global governance and promoting the transformation of the international system are in line with the big trends of the era of globalization.

Peace and development remain key themes. Countries are increasingly becoming an interdependent community of destiny. No country can develop on its own, and no country can deal with the challenges facing humanity alone. Seeking peace and development, promoting cooperation and achieving win-win results are the common aspirations of the people of all countries. Noticeably, this is in line with the narrative developed by the Communist Party of China and the Chinese government about peace and development as the main themes since the beginning of reform and opening. Despite the changing international environment, there is more continuity than interruptions and, to some extent, the official paper expresses confidence in the existing international governance system in which the United States and the West still play a larger role, as well as the determination and will with which China's integration with the global economy will be continued. Unfortunately,

Western observers emphasize the changes of the direction of Chinese foreign policy under Xi Jinping rather than the continuation.

The 19th Party Congress set out China's concept of and approach to global governance for the next five to 10 years, including the following elements.

Building a Community of Shared Human Destiny

China calls for building a community of shared human destiny, proposing that there is only one earth and all nations should coexist in this shared space. In a world that is increasingly interdependent, no country can stand alone in the face of the challenges of global issues, and only by strengthening cooperation can we better cope with these challenges. It is emphasized that all countries should give due consideration to the legitimate concerns of other countries while pursuing their own interests, and promote common development for all countries while seeking their own development. China advocates a mutually beneficial and win-win international partnership model, which is different from the dominant arguments of anarchy, power politics and a winner-take-all concept of international relations. Building a community of shared human destiny echoes some similar ideas from history, but the differences lie in that the Chinese government has adopted it as an official objective of the country's foreign policy, going beyond the narrowly defined political or ideological standard of international relations.

Enhancing International Security Based on Concepts of Common Security and Cooperative Security

The biggest challenge to international relations lies in how to build security among nations. China's approach stresses that one country's security should not be built on the basis of the insecurity of other countries, and it believes that the practice of the security alliances formed during the Cold War does not conform to the reality of a new era of globalization. The common security and cooperative concept endorsed by China emphasizes the common interests of all countries, with a sharing of security responsibilities and security benefits, and jointly built security mechanisms with the equal participation of all members. In line with the above principles of common security, the international community should work together to establish

international and regional security mechanisms. For China, the imperative task is building an Asian security mechanism, which it has worked on in recent years. Clearly, the concept of common security and cooperation is different from the traditional collective security or security alliance, because collective security is mainly the security of the alliance, and its nature of exclusivity easily leads to tension between rival security groups.

Maintaining an Open World Economy and Developing a Global Partnership

The Chinese approach proposes that the world should stick to the general direction of economic liberalization and facilitation of trade and investment, but work on a new type of economic globalization that is more equitable, inclusive and fair. As for China, it should continue to establish itself as a high-level open economy and, as President Xi emphasizes, China welcomes all the countries of the world to "ride the rapid transit of the Chinese economy" (Xi 2017a). Beyond the economic implications, China believes that the deepening of international economic cooperation and the strengthening of interdependencies will help solve the security dilemma problem in international relations. In this sense, the AIIB and the BRI can become instruments to enhance the security relations of the countries in one region.

Maintaining the Multilateral System through Cooperation

In terms of global governance institutions, China proposes safeguarding the multilateral trading system and promoting the establishment of a fair, reasonable and transparent system of rules and regulations on international trade and investment, demonstrated in China's efforts at the Hangzhou G20 Summit in 2016. It urges all countries to focus on development and strive to solve problems such as unbalanced development, domestic governance barriers, the digital divide and distribution gaps. The world should work to ensure that the economic globalization process is open, inclusive, benefits all, balanced and win-win. The collective efforts of countries should be focused on strengthening international economic cooperation and establishing fair regional and international mechanisms, to ease regional and bilateral confrontations caused by political, economic, religious and geopolitical conflicts. The role of the

United Nations and regional mechanisms should be strengthened to further support cooperation.

To be fair, China is not the first initiator of many of the proposals set out above. What is noteworthy is the fact that the Chinese government today has fully committed to, and enthusiastically carried forward, these concepts of and plans for global governance. To better understand the background of China's policies, it is helpful to shed light on the philosophy of "harmony" (*he*) deeply embedded in Chinese traditional culture. Chinese traditional culture advocates the spirit of "harmony," "rule by virtue" and "opposition to rule by force," which is in line with the concept of the community of shared human destiny and the new concept of a shared globalization. In nature, the traditional perspective educates people that compromises can be reached when there are differences of interests and values, and that patience and dialogue are needed to find common ground. This view of harmony has a strong influence on China's new concept of and approach to global governance (Y. Wang 2017).

Action Plan on Global Governance

Judging from the resolution of the 19th Party Congress, one could assume that China's global governance diplomacy may pursue an action plan, focusing on the following priorities in the next five to 10 years. First, promoting China's new concept of and approach to global governance to build a consensus in the international community. The erosion of the consensus on global governance can be attributed to the conflicts of interest among countries as well as the lack of support for a new way of thinking in most countries. China's intellectuals and political leaders suggest that the consensus should be based on new thinking that fits the new reality of globalization and meets the need to find solutions for urgent global challenges. But, importantly, the new thinking should be open and fair to all the members of the international community, that is, it should surpass the boundary of national interests and work for real global interests.

As discussed, in the past five years, China has proposed a series of new concepts and approaches to guide the reshaping of the global governance system

to cope with global challenges. These concepts include a new model for relationships between major countries that is "no conflict, no confrontation, mutual respect, cooperation and mutual benefit," to overcome the so-called "Thucydides trap," and on the issue of global governance, the principles of "mutual consultation," "co-building" and "sharing" when reforming the existing global governance system. In response to the populist and protectionist trends that have recently arisen in some countries, President Xi declared that China will be firmly sided with globalization and the open economy in his well-received speech to the World Economic Forum in Davos in January 2017 (Xi 2017a). Xi's clear statement has helped the international community to regain confidence on globalization, although some voices have discredited China as the "defender" of globalization (Economy 2017).

Second, deepening the international development cooperation represented by the AIIB and the BRI to further build a global network of partners. The AIIB and the BRI are the experiment of China's concept of and approach to global governance focusing on common development, and they are examples of China's provision of international public goods and the joint efforts to promote international development cooperation. Although different assessments exist about the two initiatives, they have received positive responses and cooperation from the international community, in particular developing countries (BRI Leading Group 2017). About 100 countries and international organizations have signed up to join the BRI or entered "interlinkage" cooperation memorandum incorporating the BRI and the infrastructure projects of BRI partners in different forms (NDRC 2018).

In the future, China will be committed to providing development assistance to developing countries via the AIIB, the ADB, the BRI and other programs. These assistance programs, combined with direct investment from China and other countries, will continue to promote the desperately needed industrialization and development of manufacturing in Asia, Africa and Latin America. Starting with the second Belt and Road Forum for International Cooperation, China has made some adjustments about investment and projects specifically related to the BRI, to emphasize their high quality and make them more financially sustainable and better adapted to the changing political circumstances (An and Wang 2018; Parameswaran 2019). Clearly, the mixed assessment of the BRI

is received by the Chinese side, and in order to reduce criticism, they have decided to move closer to the high-standard principles and rules set by the AIIB. This is a positive development.

Third, safeguarding multilateralism and the authority of the United Nations, promoting the reform and improvement of multilateral mechanisms to make the existing mechanisms and rules reflect the new realities and needs of the global economy.

China argues that multilateralism is facing grave challenges from different sources. As a big country benefiting from the open global economy, Chinese leaders insist that it is crucial to safeguard multilateralism and maintain the multilateral institutions established after World War II. To China, the United Nations is the symbol of the post-World War II international order, and it is important to maintain the UN's authority and let it play a large role in global governance, although China has a complicated relationship with the United Nations. In order to support the United Nations, China has committed to dramatically increasing its contribution, and is expected to surpass Japan as the second-largest contributor to the United Nations in 2019 (Kyodo News 2018); it is already the second-largest contributor to UN peace keeping operations.³ Obviously, China's position on the United Nations sides more with most member states than with the United States.

On the other hand, the Chinese government pointed out that initiatives such as the AIIB and the BRI are not a "substitute" for but a "supplement" to the current multilateral institutions (Xi 2016). However, these initiatives have begun to play a role in promoting the reform of the multilateral economic institutions, which could have more opportunities to be more inclusive and efficient.

Fourth, promoting the reform of the global governance system and expanding the representation and voice of developing countries. The relative weight of developing countries, in particular emerging economies, in the global economy has been constantly increasing and has been a new reality of the global economy since the 1990s. China proposes that the newly increased strength and needs of developing and emerging countries should be better reflected in the system and rules of global governance. For the purpose of building a more

fair and equal system of global governance, China advocates a series of proposals in key issue areas such as climate change, finance and development. For example, China insisted that developing countries should assume responsibility for coping with climate change based on the principle of "common but differentiated responsibility" (*People's Daily* 2015). The G20 should implement the IMF quota reform to increase the voting rights and discourse power of developing countries. On the issue of development, China took advantage of the opportunity to host the Hangzhou G20 Summit, successfully convincing all the parties to endorse the action plan on the implementation of the UN 2030 agenda for sustainable development, and to help Africa and least-developed countries speed up industrialization, reduce poverty and pursue sustainable development (European Commission 2016; Z. Luo 2016; G20 Research Group 2016).

The Chinese government has long insisted on a policy of peace and development, believing that there is a close relationship between peace and development and assuming that there will be no peace and stability if there is no universal development (Wu 2018).

Fifth, promoting global security dialogue and the reform of the global security system and crossing the Thucydides trap. The so-called Thucydides trap, coined by American scholar Graham Allison (2017), is the idea that a rising power and an established power are destined to go to war, which seems to be verified by most cases in history. The discourse of the concept has attracted the attention of the Chinese leadership. In response to the notion of the Thucydides trap, President Xi proposed building a new type of international relations based on the core ideas of mutual respect, fairness and justice, and cooperation and win-win (Xi 2017b). He urged the countries not to engage in zero-sum and winner-take-all games; instead, they should conduct dialogue and negotiations to solve differences and disputes, and embrace a new way of state-to-state relations characterized with dialogue rather than confrontation, and partnership rather than alliance (*ibid.*). Noticeably, Xi suggested that the system of global governance can help to overcome the Thucydides trap. Within the framework of global governance, he stressed major countries need to strengthen coordination and cooperation with each other, and collective bargaining and policy coordination can help avoid the effects of mutual offsetting of policies of individual countries (*ibid.*).

³ See <https://peacekeeping.un.org/en/how-we-are-funded>.

For instance, the Chinese government highly values the G20 as a good example of collective action within the global governance framework. Facing the impact of the global financial crisis, G20 members adopted coordinated monetary, financial and trade policies, effectively avoiding the spread of trade protectionism, and, as a result, the overall interests of the global economy have been safeguarded (Y. Wang 2016).

China is more concerned about the competition of rival powers in the realm of international security, which is undoubtedly the most important factor leading to the consequences of the Thucydides trap. Analysts recognize that security will be the most difficult part of global governance reform, because they believe that the United States as the hegemon has been found most reluctant to give up the security alliance arrangements it has led since the end of World War II (Feng 2015). By using security forums such as the ASEAN Regional Forum and Conference on Interaction and Confidence-Building Measures in Asia, China called for practising the new concept of “common, comprehensive, cooperative, sustainable” security to reform international security system (Xi 2014). The Chinese government will continue to make efforts on security along this course in the future, although it is too early to predict the outcome of its security diplomacy.

Conflict or Compromise: Can China and the United States Cooperate on Global Governance?

The future of the world will be greatly determined by the relations between the two largest economies — the United States and China. There is good reason to worry about the direction of their relations, especially since the United States has been waging a trade war on China since March 2018. Will a hegemonic state like the United States accept the rising China? Is there potential for the two to cooperate on global governance instead of head-to-head confrontation driven by so-called “strategic competition?”

The United States and some other countries have increasingly worried about China’s “assertive” diplomacy, including its approach and action on global governance (Harding 2015; Schell and Shirk 2017; Russel 2018). From a US perspective, it has different reasons to be skeptical of China under the leadership of President Xi Jinping. Daniel Russel (2018) argues that as China and the United States will benefit from global governance cooperation and since they do share a lot of common interests, the two giants should work to clarify the misperceptions and find ways to compromise on their different positions. For the United States and China, the most important thing may be providing reassurance to each other: China should assure the United States that it is not pursuing a parallel international system led by itself, while it wants to increase its international status by contributing more international public goods; and the United States should assure China that it gives it credit and encourages China’s role in strengthening the global governance system. Unfortunately, the rising strategic competition seems to overwhelm the relations, reducing the possibility of global governance cooperation.

It is not difficult to understand why China has a strong stake in keeping the existing international governance system. Since the reform and opening up, China has benefited greatly from the global economy led by the United States, and China’s continuous development and prosperity depends on an open and stable international market, which has been supported by the Bretton Woods System institutions, including the IMF, the World Bank and the WTO. In the view of Chinese analysts, there is no doubt that these institutions are the international public goods to keep the global economy open and prosperous (Y. Wang 2008; 2016b). On the other hand, Chinese analysts emphasize the necessity of reforming the Bretton Woods system, because the system was founded in the years after World War II and its rules and practices mainly reflected the distribution of economic power in that period (Y. Wang 2008; 2012). Although the system has experienced adjustment and reforms in later decades, it has generally been left behind in the progress of the global economy, in particular the rise of emerging economies (Y. Wang 2012). This view is widely shared by the international community (Carin and Thakur 2008; Woods et al. 2013).

The United States and the West should welcome China’s contribution to international public goods

and a greater leadership role in the international system. In contrast with Allison's notion of the Thucydides trap, American scholar and former official Joseph S. Nye calls for the world to attend to the impact of the "Kindleberger trap." Nye (2017) states that the economic historian Charles Kindleberger, an intellectual architect of the Marshall Plan, "argued that the disastrous decade of the 1930s was caused when the US replaced Britain as the largest global power but failed to take on Britain's role in providing global public goods. The result was the collapse of the global system into depression, genocide, and world war." Based on this logic, he suggests that as the rising power, China should help provide more global public goods, and to the United States, the Trump administration should not worry about a strong China, but about a weak China reluctant to take on international obligations.

Since the global financial crisis of 2008, the will (and maybe the ability) of the United States to take on more international duties has been weakened, and the America First policy of the Trump administration has given a fatal hit to the multilateral institutions, making the prospect of international cooperation more gloomy. In this context, the Chinese leadership has adopted a proactive approach to expand its contribution to international public goods, either in terms of development aid, climate change, payment to the United Nations and the G20. President Xi's speech at the World Economic Forum in January 2017 (Xi 2017a) received wide international support, demonstrating that the international community welcomes China's leadership role during this difficult time in global governance (Momani 2017). Unfortunately, Xi's approach is perceived as a threat to the "liberal international order"; the criticism mainly comes from US think tanks, which are concerned about China's different ideology, political system and development models and the challenge it poses to the US power position in the world (Fish 2017; Economy 2017; Russel 2018).

The differences in ideology and development models should not be a barrier to cooperation between the United States and China. There is no perfect ideology and development model, and the model of development fits one's own conditions. It is wrong to impose one's own model or ideology upon others. Differences between the two countries should not be exaggerated (National Endowment for Democracy 2017). As a matter of fact, both the United States and China now face the consequences of the past two decades of economic globalization

and the revolutionary transformations that have resulted (Yong Wang 2018a). In finding ways to rebuild a fair and just society, the two countries should learn from each other and they should not use the other as a scapegoat for their grievances.

On the issue of global governance, China attaches more significance to the values of peace, stability and international development, while the United States and the West may highlight political values such as freedom, democracy and human rights, exemplified in the conditionality of foreign aid. China may put more emphasis on compliance with international laws such as the UN Charter, especially the principle of non-intervention in internal affairs, but the United States and the West may stress the "liberal" rules of international order. Influenced by the development experience and development stage, both have adequate reasons to defend each other's position, but it is important to compromise and harmonize the different sets of values and principles, to apply in the different settings to achieve the best results in practice. Specifically, on this point, Chinese traditional wisdom may prove to be valuable in helping the United States and China to understand each other better. Influencing the way of thinking of Chinese people, the ancient wisdom values the concept of harmony (*he*) and the rule of "gold mean" (*zhong yong*), assuming that the best way is not going to extremes, but is inclusive, comprehensive and creatively absorbs the merits of different ideas and programs; and the concept of "diversity in harmony" (*he er bu tong*) values with respect to different ideas, beliefs and institutions (Xie 2017). Many people in China believe that the country should continue to learn from the United States and the West, in order to integrate creatively the experiences and values of others into the Chinese way of thinking, practice and policies.

The so-called strategic competition starts to shape the relations between the United States and China, which is injecting distrust and barriers into the possible space for cooperation between the two countries. The Trump administration released the 2018 edition of the National Security Strategy report in December 2017 and identified US economic relations with China as one of the main security threats (The White House 2017). Clearly, the Trump administration has changed the basic tone of the National Security Strategy report approved by President Barack Obama in 2015, which highly evaluated the "unprecedented" cooperation with China and identified China as a

strategic partner (The White House 2015). Driven by the consideration of the strategic competition with China, the Trump administration has successively adopted trade protectionist measures such as section 232 and section 301 clauses of the US trade laws, and launched a trade war against China, but also targeting the European Union, Japan, Canada, Mexico and many other countries. The imposition of tariffs on Chinese exports has been unprecedented and China has been forced to retaliate. With the collapse of the trade talks on May 10, 2019, the United States escalated the tariff war into a technology war by banning key exports to Huawei and many other Chinese tech companies. The reasons for the US government launching trade actions against China have been extremely complicated — the United States complains about China on issues such as trade deficit, market access and intellectual property protection (Yong Wang 2018a), but there is no doubt that US power elites are worried about losing the status of number one superpower and the primacy over the international system (Long 2018), in addition to failed domestic policies (Yong Wang 2019). Although the trade talks were resumed at the Osaka G20 Summit on June 29, 2019, there is still great uncertainty about whether the two countries can reach a trade agreement. While it may be hard, the trade dispute can be settled properly by negotiations, compromise and mutual concessions, as demonstrated in previous trade conflicts between the two countries. However, once strategic competition combined with ideology struggle dictate the trade relations, it will likely prolong the dispute and the conflict will easily spill over into other areas. It seems to be the case that under the Trump administration, a new bipartisan consensus on strategic competition with China has risen as the mainstream voice in the US-China policy, and to make it worse, multilaterally, the Trump administration does not have much interest in multilateral platforms such as the G20 and in promoting cooperation with China on global governance. The rising “strategic competition” will undoubtedly be detrimental to China-US cooperation on global governance, from which both parties and the international community should benefit greatly. Therefore, the power elites and opinion leaders should be ware of this danger and loss, in particular the prospect of a “new cold war” between the two countries (Yong Wang 2018b).

To achieve the goal of cooperation on global governance, the United States and China should do more to better understand each other (Lieberthal

and Wang 2012). Specifically, Chinese leaders should resist the temptations of the dream of great power and beware the high risks of overcommitment. While keeping a sharp eye on the reaction of the outside world, the leaders should acknowledge that China’s unbalanced and inadequate development will exist for a long time and directly constrain the country’s capacity to lead global governance, and overcommitment will be harmful to domestic stability and prosperity (Wang 2017). President Xi pointed out in the report of the 19th Party Congress that China will be in the “primary stage of socialism” for a long time and put forward the assessment that “socialism with Chinese characteristics has entered a new era. The main contradictions in our society have been transformed into the growing needs of the people for a good life and the imbalanced and inadequate development” (Xi 2017c). The imbalanced and insufficient development has caused many problems and contradictions affecting people’s lives and satisfaction (J. Luo 2018), and it will be a long and time-consuming process. It has been a challenge for the Chinese leadership to strike a suitable balance between domestic development and international obligations. China’s leadership role in the global governance system fits the level of domestic development, and the international community should not expect China to take on responsibilities beyond the limit of its strength and financial capabilities.

The United States should be more confident about its capacity and influence in international affairs, and it should be open to the rising of China and work with China and other emerging economies to build a more sustainable and balanced global governance structure.

As China and the United States have formed highly interdependent and complex relationships that are both cooperative and competitive throughout the last 40 years, there are sound reasons to be cautiously optimistic about the future of the relations. The two countries have developed a network of interactions composed of in-depth intertwined economic interests, close people-to-people exchanges and family links, and numerous official and civilian dialogue mechanisms (Wang 2018a). The recent decade witnessed strong cooperation in the process of the G20, climate change and fighting Ebola in Africa, demonstrating that the United States and China will and can cooperate and the whole world will benefit.

Implications for Canada and Canada-China Relations

Given China's larger role and the obvious converging interests of the two countries in global governance reform, what opportunities and challenges are there for Canada-China relations on the issue of global governance? As a developed economy, Canada is an important member of the G7, the Organisation for Economic Co-operation and Development and the G20. Canada has successfully hosted the G20 and G7 summits, and has been a major and enthusiastic advocacy country for enhancing global governance. For example, the early idea of the G20 process of finance ministers and central bank governors was created by Paul Martin, then Canada's finance minister and later prime minister (Kirton 1999).

China and Canada share many views and common interests regarding global governance. The two countries believe that effective global governance is indispensable for maintaining a stable and prosperous global economy. To maintain the existing achievements, the system of global governance must be strengthened. Both support the reform of the existing global governance institutions to adapt to the power changes in the global economy and address the issues brought about by economic globalization, in particular dealing with the consequences of financial globalization. The Bretton Woods institutions should be reformed. Both countries attach significance to the issue of climate change and sustainable development. Both see climate change as a global challenge and a global solution is needed. Canada and China agree that "the need to transition to a clean growth economy demand a decisive, collaborative and cooperative response by governments, businesses, and other actors to drive momentum, in the context of sustainable development and poverty eradication" (Global Affairs Canada 2017). Both are committed to the obligations of the Paris Agreement and the multilateral process under the United Nations Framework Convention on Climate Change, emphasizing that "the Paris Agreement is irreversible and that it will not be renegotiated," and they call on all parties to implement the

Paris Agreement, including their respective nationally determined contributions (ibid.).

Both countries have paid attention to the rise of emerging economies represented by the BRICS, and the global governance system should be adapted to this new reality. A more balanced structure is necessary for the health of the global economy.

However, there are differences in ideology, domestic politics and development stages that may make the potential cooperation on global governance between Canada and China more difficult (Dobson and Evans 2015). In terms of ideology, the issue of human rights is of importance to Canada, in particular political rights such as electoral rights and freedom of speech, while China gives more attention to the social and economic rights of citizens than to political rights. The Justin Trudeau's government's doctrine of progressivism attaches special attention to gender equality and labour rights, and insists on applying it in the bilateral free trade agreement (FTA) talks, which China may find somewhat difficult to accept. The Chinese government may argue that it highly appreciates the values of progressivism, but it is not proper and pragmatic to apply it in a free trade arrangement (Blanchfield and Blatchford 2018).

Misperception and distrust have affected bilateral relations from time to time, although both sides harbour good intentions and expectations about the height and depth of their economic cooperation. Obviously, Canada has a strong interest in accessing a booming Chinese market, but the public, or some people in the security community, may be wary of the influence of mergers and acquisitions of local firms by Chinese companies, in particular Chinese state-owned enterprises. Negative media reports sometimes make the situation worse.

A closer relationship with the United States may be another factor shaping the Canadian government's stance on and approach to cooperation with China on the issues of global governance. For example, on the AIIB issue, the Conservative government under Stephen Harper chose to side with the United States to avoid joining the bank before the United States, although major European economies decided to join the AIIB, and academia and the business community criticized the Harper government's policy (Beaulieu and Dobson 2015; Tiberghien 2015). After the Trudeau government took office in late 2015, Canada gave membership of the AIIB positive consideration, and in March

2017, Canada was accepted as one of the founding members of the AIIB (Department of Finance Canada 2017; Vanderklippe 2017). As the Trump administration carries forward protectionist and unilateralist policies, Canada-China relations have become more complicated. In November 2018, the United States, Canada and Mexico signed the Canada-United States-Mexico Agreement replacing the former North American Free Trade Agreement, which includes the so-called “poison pill” article — the non-market economy article. Many analysts argue that the poison pill article aims to block any FTA effort with China and will affect in a very negative way the prospect of a possible Canada-China FTA (Lawder and Freifeld 2018). The extradition of Huawei CFO Meng Wanzhou unfortunately became the worst outcome of the relations under the context of the growing US-China strategic competition. Given the existence of broad shared interests, Canada and China should attempt to find a pragmatic solution for the case of Meng as soon as they can.

Canada and China should cooperate to move to a compromise action plan on global governance reforms to adapt to the new reality of the global economy. As a middle power, Canada is in a good position to play the role of coordinator between emerging economies such as China and developed economies such as the United States, to help build a consensus on a better and more effective structure of global governance, for example, on keeping the climate change agreement and reforming the WTO. If Canada and China strengthen the cooperation on global affairs, the whole world will benefit.

Conclusion

Since 2013, the Chinese government under President Xi has adopted a proactive approach to global governance and is committed to playing a leadership role to take on more international duties to meet the expectations of the international community.

China's decision makers seem to believe that becoming a new provider of international public goods not only serves its own interests, but also the interests of the international community, enabling it to better cope with the challenges of global issues (economic development, climate change,

public health, sustainable growth and international security). The AIIB and the BRI are the best examples of China's contribution to international public goods, reflecting China's new concept of and action plan on global governance reform.

Following the initial experiment, China proposes a series of concepts, approaches and solutions on global governance, including the community of shared human destiny; a new type of international relations; an international win-win partnership; and the principle of mutual consultation, co-building and sharing.

In the next five to 10 years, China's action plan will probably focus on priority issue areas related to global governance, as follows: promoting China's new concept of global governance and its approach to help build an international consensus; deepening the development cooperation represented by the AIIB and the BRI to further build a global network of development partners; working for safeguarding the authority of the United Nations; promoting the reform and improvement of multilateral mechanisms; promoting the reform of the global governance system to expand the representation and voice of developing countries; and promoting global security dialogue and the reform of the global security system, with the aim of overcoming the Thucydides trap.

The most important challenges are whether China and the United States can find constructive ways to work together on common interests and reform and strengthen the global governance institutions. In order to cope with this challenge, China should provide reassurance that it is not interested in setting up an alternative world system, and the United States and the West should welcome China's greater contribution to international public goods and desire to take on a leadership role. Specifically, both sides should manage the “strategic competition” and limit the negative influence of the differences of ideology and development models to their cooperation on global governance. China and the United States, along with other major members of the international community, should continue to consult each other regarding the details of reforming the global governance institutions.

China and Canada share many views and interests regarding global governance, in particular on the issues of climate change, sustainable development and reforming the existing global governance institutions. However, the

differences in ideology, domestic politics and stage of development may constrain the depth of cooperation on global governance between the two countries. These differences should not be a barrier to cooperation and coordination on reforming and improving the global governance institutions. As a middle power, Canada can play a unique role in bridging the gap between emerging economies such as China and developed economies on the issue of global governance.

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