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## **Why is China a Reluctant Leader of the World Trade Organization?**

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### **Abstract**

China has drawn massive benefits via expanded trade since it acceded to the WTO in 2001. We might therefore reasonably expect it to have taken a more assertive lead in trying to rectify the travails in which the organisation finds itself mired, attendant with its rising power status, its active trade diplomacy elsewhere, the high levels of relative gains it has enjoyed since becoming a member, and its broader trade dependency. That China has not done so represents a puzzle, which is usually answered with reference to the international picture: i.e. that global trade has appeared to be holding up reasonably well throughout and beyond the global crisis, and, despite some inchoate protectionism, there generally exists a broad commitment to an open trading regime. Yet this only tells part of the story: China's approach cannot simply be 'read off' from the structural context and there are, in fact, a series of interesting domestic explanations for why China has remained a 'reluctant leader' of the WTO too. On the basis of a series of interviews with Chinese experts, we offer a more complete account of these processes that better recognises patterns of agency, and how China navigates a contingent international order.

**Keywords:** BRICS; China; WTO; Rising Powers; Trade Diplomacy

## **Introduction**

On 11 December 2001, China joined the World Trade Organization (WTO). The subsequent decade and a half has witnessed two intriguing processes of divergence. One is the country's continued 'rise', propelled by staggering levels of growth that have outstripped even the most optimistic assessments from the turn of the millennium, such that it is now, depending on the measure adopted, either the first- or second-largest economy in the world. Because of the global distribution of power that this entails, it is increasingly shouldering the burden of management of an international order that is in a state of pronounced flux. The other is the relative decline of the WTO's importance as a key institution of global politicking, and arguably even multilateral trade as a whole. This latter claim is certainly a controversial one to make. Yet it seems clear that the effective collapse of the Doha Round of trade negotiations, the marked tendency towards exclusionary mega-trade agreements such as the Trans-Atlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP) – which, albeit stalled for now, still represent the general direction of global travel – as well as the inability of the WTO itself to re-envision a post-Doha agenda, would seem to confirm, at the very least, that the multilateral space into which China thrust itself in 2001 is considerably more unstable and constrained today than it was then.

In light of these two broad claims about augmented Chinese power and WTO decline, we might reasonably ask: why has the country not sought to lead the organisation decisively, and thereby overcome some of the travails in which it currently finds itself? This question, its answer and implications seem especially pressing, as Hanns Günther Hilpert (2014, p. 5) has suggested, 'given that there is no other area of international politics where China is yet so dominant and influential'. The country has benefitted enormously from its membership of the WTO, its spectacular growth over the past fifteen years has been primarily export-oriented and trade-driven, and, of late, this has involved upgrading quite significantly into high-technology, value-added sectors where its firms are often operating at the global cutting edge (see, inter alia: Henderson *et al.* 2012, Naughton 2014, Kennedy 2016).

Moreover, China's ideological commitment to trade multilateralism appears genuine. It joined the WTO

in good faith, and has generally been a constructive, productive member. Debates, which are often polarised, regarding whether or not China represents a challenge to western order or an accommodation with it miss the point: the country has made extraordinary efforts to comply with its international obligations. It may not have always been entirely successful, but then neither are any of the major trade powers: everybody does their share of market distortion in one way or another. As the legal scholar Timothy Webster (2014, pp. 527–8) has put it: ‘Despite its prevalence, the “China as cheat” conceit does not capture China’s dynamic and evolving relationship with international law. If China is indeed an international scofflaw, why would it ratify so many treaties and join the vast majority of international organizations in the first place?’ This is particularly so when it comes to trade: given the scale of legal, political, regulatory, economic and even cultural reform required since 2001, it is remarkable the extent to which China has implemented WTO rules and regulations – and certainly so on paper, even if they have not been followed perfectly in practice – in a context where its elites were learning, almost from scratch, how to participate (see Kobayashi 2006, 2013, Scott and Wilkinson 2013).

Existing accounts of the crisis in which the World Trade ‘Disorganization’ (Wong 2015) is apparently mired generally – and quite rightly – emphasize the structural factors conditioning the travails of global trade politics: in particular, the power imbalances generated by simultaneous US relative hegemonic decline and the on-going accretion of greater power by the larger developing countries which have stymied a wide-ranging multilateral accord (e.g. Wilkinson 2014, Muzaka and Bishop 2015, Hopewell 2016, Meunier and Morin 2016, Trommer 2017, Murray-Evans 2019). Similarly, there are three specific factors to which Chinese reticence is generally attributed. First, and notwithstanding the very recent turn towards limited protectionism, global free trade has endured through and beyond the crisis, regardless of progress in negotiations at the WTO (see Siles-Brügge 2013). China arguably does not, therefore, require solutions to the multilateral conundrum in order to achieve its contemporary trade objectives. In this sense, it is critical to disentangle the broad trade regime from the evolution of the WTO itself beyond Doha (see Muzaka and Bishop 2015). China is at once highly dependent on the former and would have much to lose were the regime to unravel fully, but this does not necessarily

mean that it has much to either gain or lose from progress or continued decay in the latter (Hilpert 2014, p. 6).

This brings us to the second, and related issue, which is the apparent lack of support for ‘bicycle’ theories of trade (see, for example: Bhagwati 1988) that held sway previously and emphasised the need for liberalisation to continue lest protectionism seep in to the system. The contemporary Trumpian backlash against the most extensive forms of liberalisation – such as TTIP, TPP – do not represent a repudiation of trade *per se*, but rather the neoliberal overreach characterised by the most strident forms of globalism. Ironically, as Dani Rodrik (2017), a prominent critic of bicycle theories has recently noted, the very fact that liberal economists downplayed the well-known distributional effects of trade liberalisation in order to prevent protectionist backsliding is a large part of the explanation for why peculiarly demagogic forms of nationalist rhetoric have now emerged. Indeed, it is notable that, despite the rhetoric and clumsy imposition of tariffs, Trump does not couch his critique – however incoherent it may be – in terms of *ending* free trade, but rather making it *even freer* by reducing what he considers unfair distorting practices elsewhere and undermining the multilateral system that facilitates them (see Bishop 2018b). Nonetheless, with the perceived link between continued multilateral liberalisation and global free trade evidently in question for now, there is perhaps less incentive for major players to worry. Third, many Chinese firms are increasingly operating at the innovation frontier. Consequently, their commercial interests will be served by deep next-generation regulatory and services agreements – if China is able to participate in them – not a multilateral accord that was conceived for a different era almost two decades ago.

None of these arguments are misguided, but what they have in common is an emphasis on the structurally determined incentives shaping China’s trade policy. As a consequence, its ‘reluctant leadership’ – which we define as a deliberately conceived hesitancy to bring its substantial power resources to bear on re-energising the multilateral agenda at the WTO – is largely ‘read off’ from these externally determined factors as an unsurprising, straightforwardly explicable phenomenon. This is a problem: it elides Chinese agency and intention, and only tells part of a more complex story. Indeed, if

Hilpert (2014, p. 6) is correct that its ‘trade policy structures can be characterised as pluralistic, intransparent, reactive and unpredictable’ then it is especially problematic to suggest, even implicitly, that particular courses of action – in a highly dynamic arena of political contestation – can be explained solely with recourse to the prevailing structural context. In this paper, we therefore seek to redress this imbalance by shedding some light on the pluralism of Chinese trade policymaking and the conscious choices that have been made at different junctures to engage in global trade politics in particular ways.

Specifically, on the basis of a set of interviews with current and former Chinese trade policymakers,<sup>i</sup> we argue that any account that seeks to explain Chinese trade diplomacy must complement the typical focus on global institutional and structural constraints with an analysis of the distinctive contours of both domestic trade policymaking structures and the kinds of agency that these, in turn, facilitate. We build the argument in three sections. First, we discuss existing debates pertaining to Chinese leadership in global governance in general, and trade in particular, to show how structural explanations have generally dominated. Second, we address the reasons why this might be the case, by focusing on different domestic sources of policy constraint. Third, we bring the international picture ‘back in’, but from a distinctly Chinese perspective, in order to show how some of the aforementioned structural constraints are viewed within, and refracted through, internal policy debates.

### **Chinese leadership in global (trade) governance**

We substantiate in this section the wider claim about the nature of Chinese leadership in global governance as a whole, and trade politics in particular. A key concern of many Western theorists regarding China’s ‘rise’ is the extent to which it is likely to accommodate itself to – or, indeed, seek to undermine and replace – existing institutions that are the product of post-1945 US leadership (Narlikar 2010). However, what is less recognised, amid often-misplaced worries about the creation of post-hegemonic alternatives attendant with the construction of a Sinic world order or ‘Beijing Consensus’, is that China has actually long-reconciled itself to being a key member of global bodies, even if it has not accepted fully the liberal logics of western forms of modernity, particularly when it comes to democracy. This is, in the West, frequently and teleologically presented as a Chinese problem, in that

it is somehow deficient and yet to achieve fully an acceptable form of modernity (see Hobson 2012, for a thorough critique).

But, as Andrew Gamble (2009, p. 19) has argued, the real problem is the tendency to conflate Western ideology and praxis *with* modernity, when we should ‘distinguish between the genuinely universal aspects of the western ideology, those that need to be accepted as the common basis for all societies that make the transition to modernity, and those aspects that are related to particular historical features of European societies’. This implies that there can be different routes *to* modernity, and different forms *of* it, and there is no reason why these cannot coexist, as they will increasingly have to, as more societies reach late capitalism and further shift the global distribution of economic power. It requires a recognition on the part of the West that, say, Anglo-American institutions and mores represent but one possible form of modernity, and to accommodate the non-West into global institutions requires them to be reconfigured to take account of greater diversity. This is what Chinese economic statecraft is about: that is, ensuring, as a member that arrived late to shaping the global economic governance architecture, its interests are properly served (Zhang and Keith 2017, p. 185).

In any case, confusion and contestation exists within China regarding how to understand the country’s political-economic system and development model, just as it does outside, belying either the idea of a ‘consensus’ or, indeed, the kind of coherence necessary to fully eclipse existing norms and implant new, distinct, genuinely hegemonic alternatives (see Ferchen 2011, Breslin 2013). Moreover, China is a committed and increasingly engaged participant in global institution building. The WTO does not find itself in crisis because of attempts by China or the other rising powers to wind back free trade: it is actually the failure of the supposedly liberal West to live up to its rhetoric and pursue an inclusive, comprehensive, multilateral agreement of benefit to all, which achieves the development gains for the poorest that were originally promised when Doha commenced, that better explains the problem (see Hopewell 2016). Part of China’s commitment to trade openness reflects its recent economic expansion: it accounts for an increasingly large share of global GDP and international investment, and therefore requires internationally agreed rules to protect its burgeoning asset portfolio (Morton 2017). This has,

of course, generally been true of all trade powers as they approach dominance, because perpetuating international openness in which one occupies an advantageous position is the best way to exploit and propagate that power (Chang 2002).

The very fact that China joined the WTO in 2001 – in a context of significant internal opposition, widespread scepticism in parts of the policy elite, and fears of effective capitalist neo-colonisation by the West (see Fewsmith 2001) – is revealing in this regard. Reflecting on accession a decade later as he himself came to the end of his presidency, Hu Jintao (2011) restated the case for Chinese membership specifically in terms of on-going, incomplete – and domestically contentious – economic reform: ‘To join the WTO’, he suggested, ‘was a major strategic decision based on our comprehensive analysis of the situation at home and abroad in order to push forward China’s reform and opening-up and socialist modernization drive’. Moreover, where it has participated in multilateral endeavours it has actually been remarkably active in terms of institutionalising international regulatory imperatives. For example, in a recent study of China’s ‘insertion’ into the intellectual property rights (IPRs) regime, Omar Serrano (2016) noted how, despite a domestic predilection for violations of IPRs by market actors, the Chinese state itself has implemented TRIPS in a ‘maximalist’ fashion, and certainly considerably more so than India. Although, at the same time, Beijing has also not been as activist in shaping WTO agendas themselves as the other emerging powers: Brazil and India played a more important role in developing Doha and confronting the West, even though they had far fewer conventional power resources with which to do so, a reflection of their (relatively) more diminutive economic might (Hopewell 2015, Muzaka 2017).

Nevertheless, China has still benefitted hugely from liberal trading arrangements. When Beijing first considered accession to the WTO, it was an extremely controversial idea domestically. There was great reticence among many powerful actors, which was only overcome – and, indeed, only *could have been* overcome – when Jiang Zemin decided to push the agenda from the very top during his presidency in the late 1990s. Different policy choices would have led to different outcomes, and there remain to this day significant divergences of opinion within the policy elite between more conservative, protectionist



voices and those advocating greater liberalisation (see Jiang 2013). As such, the pace and extent of reform is both an enduring, unresolved site of contestation and can also be influenced heavily by directions given from the very top of the power structure. Still, during this period China has grown dramatically, outstripping even the most optimistic expectations from that earlier era (Bishop 2016). Although its export orientation has been clear for many decades now, not all of this expansion can be attributed to increased trade: it is something which is, in many respects, based on arguably quite mercantilist, developmentalist, state-directed investment and control over key sectors of the economy and major firms within them (Lin *et al* 2003, Lin 2014). It is consequently probable that, whether China had joined the WTO or not, it would still have enjoyed an impressive period of expansionary growth, and the export orientation of its key industries would have still occurred in some form. As Susan Strange (1985) argued many years ago, modern trading relations depend less on the existence of formal trade rules than they do networks of relationships between companies and other actors that collectively pursue mutually beneficial commercial activities.

But had China not joined the WTO, the specific patterns of growth and economic development would undoubtedly have been different. This is a key point, and it is something that is less frequently recognised than it should be. Although the early (post-2001) stage of contemporary industrial expansion was driven by significant amounts of foreign direct investment (FDI) into mid-level production of components, textiles and so on, Chinese firms have both rapidly climbed the value chain and expanded into new areas of production (Chin 2009). It is quite plausible in fact, that had it not acceded to the WTO, many of its firms could have remained in relatively low value-added activity, with the country itself mired in a broader low- (not even middle-) income trap. However, the opposite has happened. Chinese firms are today increasingly exporting their own, high value-added products – high-speed trains, military and satellite technology, mobile communications technology and so on – all over the world, and especially to markets in Africa, Asia and Latin America that are far from mature (Henderson *et al.* 2013, Naughton 2014, Kennedy 2016). As one experienced trade negotiator suggested, this was a primary benefit of membership: WTO rules permitted the imposition of high external standards on domestic firms, and, by combining a degree of control over both the direction of capital and major

companies themselves, compelled them to become increasingly competitive. In short, joining the WTO and engaging in liberalisation was not an end in itself for trade policymakers in Beijing. It was, rather, a means to gain access to a body of external rules and regulations and thereby provoke domestic forms of upgrading in strategic sectors. The market opening that it implied was undeniably useful for Chinese firms as they continued their export growth, but it was not a sufficient condition to ensure that such expansion also resulted in diversification and upgrading.

So, why might we therefore expect China to take up a leadership position that goes beyond mainly implementing agreements and acting, as Kristen Hopewell (2015, p. 315) puts it, in a more ‘proactive agenda-setting’ fashion, rather than ‘as a reactive veto power’? In the most straightforward sense, given the broad benefits it has accrued from participation in liberalised global trade politics, it is reasonable to expect that China might wish to revitalise the WTO and sustain a multilateral regime that is, at the very least, in question today (see Muzaka and Bishop 2015). Most crucial to this is the idea that the country has not simply benefitted from any old trade rules, but rather the predictable, broad-based and widely accepted rules that *all* members of the organisation have essentially agreed to. The problem, today, is not that liberalisation itself is straightforwardly under threat: indeed, if the crisis has shown anything, it is that powerful actors in general, and the US and EU in particular, favour the deeper penetration of liberalising dynamics into an even wider range of areas than has ever been the case before. Trump’s withdrawal from TPP and the consequences of this for TTIP may lead to their terminal decline, or they may be resuscitated once his presidency is over. Either way, this does not signal a general resurgence of multilateral sentiment, but it also does not imply the end of free trade as a principle. Trumpists (and, as noted earlier, Brexiters) alike have retained a rhetorical commitment to global openness even as they remain sceptical about the multilateral institutions that have, until now, facilitated it (see Murray-Evans 2018, pp. 151–3).

The specific form of liberalisation that underpinned China’s economic miracle for almost two decades is one that has been based on broadly shared, multilateral agreement, embedded within a WTO which has now rapidly collapsed into crisis. We do not have to look very far back – to the immediate aftermath

of China's accession – to see a period during which the WTO was *the* institution of global governance *par excellence* in which the major political battles of the day were being played out. For Chinese policymakers, this shift is disorientating: we have moved, almost overnight, from a world in which a commitment to multilateralism has given way to the major players seeking to shape extensive agreements that go well beyond that which has been agreed at the collective level and which are deliberately exclusionary. The WTO Ministerials in Nairobi (2015) and Buenos Aires (2017) evince this clearly: the former witnessed the explicit abandonment of the 'single undertaking' and, at the latter, the direction of travel towards plurilateralism was reinforced (see Wilkinson 2018, Hannah, Scott and Wilkinson 2018). In sum, after welcoming China into the organisation almost twenty years ago, the US and EU are now seeking to rewrite the rules of global trade and, in doing so, shape a new order that excludes the world's most significant trade power.

### **Explaining Chinese reticence: Domestic sources of policy constraint**

That China has not responded more forcefully or decisively to this situation can be explained, as we noted earlier, by a set of structural realities. These are broadly linked to the fact that the global trade regime has – notwithstanding the prospect of Trumpian rhetoric becoming a more widespread reality – remained open throughout the biggest economic crisis of the neoliberal era (Siles-Brügge 2013). This compels us, analytically speaking, to separate the WTO from the broader edifice of global trade. China does not require a multilateral settlement to achieve its trade objectives, nor, apparently, does the global trade regime itself seem to require continued multilateral liberalisation to stay afloat (at least at present). However, this is only part of the story. In this section, we add to it a set of insights that focus on the often-overlooked internal elements of China's reluctant leadership of the WTO: the keeping of a deliberately low profile in international politics while trying to reconcile a dual identity as both a developing and, increasingly, a developed country; contestation between different domestic interest groups, and a distinctive state-business relationship; and the fluctuating importance of trade within government policymaking.

*Dual identities: 'Neither leading goat, nor stumbling block'*

When China first acceded to the WTO, Madame Wu Yi – who was Minister of Foreign Trade and Economic Co-operation from 1993-1998 during much of the accession negotiations, and who then became Vice-Premier shortly after accession in 2003 – explicitly announced that China should neither lead the organisation nor be pulled along by it. This was encapsulated in a famous phrase, suggesting that the country should ‘neither be the leading goat, nor a stumbling block’.<sup>ii</sup> This essentially means that the early stages of WTO diplomacy would be marked by a slow start in which Chinese diplomats learned the ropes, attended every meeting and gradually increased their patterns of engagement in a deliberately and consciously constructive way. At the time, as western academics searched for clues as to how China would comport itself in the WTO, Ann Kent (2002, p. 345) noted how, if its ‘newcomer status’ to the UN in the thirty years after the establishment of the People’s Republic of China (PRC) were a good guide, its engagement ‘involved a steep learning curve, mediated by its own ambitions, changing perceptions, and unique perspectives’. Yet over time, she suggests, its approach evolved, ‘from the aloof posture of a spectator sizing up the game to active participation and a lively and astute promotion of its national interests’.

From a contemporary vantage point, this seems to capture its subsequent behaviour in the trade arena too. This vision of diplomacy is very much related to Deng Xiaoping’s famous warning that China should keep a low profile in general, a form of foreign policy that spilled over into its approach to the WTO. It was, moreover, largely psychological rather than institutional. Officials believed that the country needed a period of learning before it could assume a leadership role, and almost a period of apprenticeship in which it behaved as a model student (Zhang and Keith 2017, p. 190). Early on, Beijing was also extremely uncomfortable with international lawsuits, and was keen to avoid confrontation in the WTO’s Dispute Settlement Mechanism (DSM). So, it consciously crafted a highly disciplined and moderate orientation, and it studiously avoided conflict. This kind of ‘low-profile’ diplomacy also had a broader historical genesis. Mao Zedong appreciated the Min Dynasty Emperor Zhu Yuanzhang’s strategy ‘to build high walls, to accumulate grains and claim to be an emperor at a later stage’. In other words, China’s traditional wisdom emphasises that great power status can wait, for what in the western mindset might be a very long time.

Contemporary China is, moreover, caught between a pervasive self-perception as a ‘developing’ country that co-exists in a degree of tension with the reality that the country is rapidly becoming, through a profound structural transformation, a ‘developed’ one. This is visible within the range of internal contradictions that can be identified. An obvious one is the contrast between a rural peasantry that remains large – in the tens of millions at least (see Yeh *et al.* 2013) – and a growing urban middle class. Indeed, one statistic that reflects China’s stunning transformation is that its GDP per capita has increased since the turn of the millennium from barely \$1,000 USD – a figure that was lower than many countries in sub-Saharan Africa – to almost \$10,000 in 2019, and considerably more in purchasing power parity (PPP) terms (Bishop 2016). In any country, let alone one where mean average per capita figures are difficult to shift substantially because of an enormous population of 1.386 billion (in 2017) this is striking (by contrast, India’s GDP per capita has quadrupled – itself impressive – but only from around \$450 to almost \$1900 over the same period). As Andrew Kennedy (2016) suggests in an evocative turn of phrase, of the two largest ‘BRIC’ countries, India is the ‘slouching tiger’ to China’s ‘roaring dragon’. What is more, when disaggregated by city or region, vast numbers of Chinese are now living in essentially ‘developed’ country conditions: in many of the major cities – especially on the eastern seaboard – GDP per capita is now well over \$20,000, outstripping in many cases living standards in western countries, and the figure is even higher in PPP terms.

Nonetheless, China’s contemporary *political identity* is one that still identifies strongly with the wider ‘developing’ world or ‘Global South’ (as problematic as these concepts may be). This is reflected in a degree of suspicion – or rather a relative lack of dogmatism – regarding the tensions between the West and major developing countries that have effectively stymied Doha, and which have been problematic ever since the controversial ‘Singapore issues’ emerged at the 1996 Ministerial (see Gallagher 2008). When China first considered entry to the nascent WTO, it exhibited a degree of tentative ambivalence about the need for further sustained across-the-board liberalisation in trade, and this was especially so in the case of some powerful interests within the country. Today, this lives on in a sense that developing countries as a whole should not be pushed beyond that which they have already properly agreed to at

the multilateral level; the forms of market-opening preferred by Chinese policymakers are consensual ones, and there is an acceptance that different countries, of different sizes and levels of development, should be able to engage flexibly with multilateral accords to maximise their development policy space.

Equally, though, its *economic identity* – given its constellation of offensive interests – is very much aligned with the rich world. This makes it difficult for Beijing to advocate for flexible interpretations of existing agreements for developing countries as a whole. Powerful countries view this as self-serving, and are for the most part understandably unwilling to facilitate what they see as an already-colossal Chinese competitiveness advantage that would increase yet further from greater selective protectionism. Perhaps more important, though, is the fact that China embodies unreconciled internal contradictions in terms of its own development. For example, it is a member of both the G33 and the G20 coalitions in the WTO: yet the former has defensive interests in agriculture; the latter has offensive ones. Moreover, distributionally, liberalisation affects different groups within China in highly distinct ways. Again, in agriculture most obviously, concessions made in negotiations could have highly destabilising ramifications for the country's massive rural peasantry even though the overall welfare gains – both for China as a whole, and globally – might be significant. Consequently, even were China in a position to formulate a clear policy agenda for rescuing trade multilateralism, it would find it difficult to do so because its own interests remain so unclear and are continually (and often rapidly) evolving.

This is particularly so today, for two reasons that essentially foster a continued identification with the Global South. One is that China is no longer simply a developing country in its own imagination, but also a member of the so-called BRICS. Much has been written on the development of the grouping and its role in global governance (e.g. Stuenkel 2013, Chin 2014, Cooper 2016). As the group becomes increasingly institutionalised, China enjoys another base from which to assert its difference from the rich world and continue to negotiate as a developing country of sorts. For example, Chinese trade policymakers are highly critical of both the lack of flexibility shown towards the developing world as a whole during the Doha 'development' Round and the continued unwillingness to fully take into account the concerns of major emerging countries which still retain huge and acutely vulnerable

impoverished populations requiring of a degree of protection from, say, food price shocks. The other issue is that this is influenced – for better or worse – *by* China’s own ongoing development. On the one hand, the competitive dislocations wrought by the country’s sheer scale creates acute challenges for other developing countries in just about every economic sector, and especially agriculture (Hopewell 2019). Yet on the other hand, now that it is so wealthy, Chinese policymakers stress their responsibility to pull other developing countries up too, particularly given that many of them recognised the sovereignty of the PRC when it was difficult to do so.

Whether or not this is borne out in terms of the actual form and effect of Chinese policy is another matter. One does not have to subscribe to an orthodox liberal view – that China has now simply joined the rich world, and will therefore increasingly engage aggressively with poorer countries based on a rational evaluation of its interests – to see that tensions clearly exist. Indeed, although it took a back seat before and during the Doha negotiations, China has gradually become somewhat more assertive when defending those substantive interests in the WTO’s legal regime as it has become more comfortable within the institution (see Gu *et al.* 2008). Similarly, much has also been written that debates the ‘imperial’ dimensions of its resource diplomacy and commercial activity in Africa and Latin America (see, *inter alia* Brautigam 2009, Gallagher and Porzecanski 2010, Power *et al.* 2012).

Nevertheless, a discourse of developmental unity still represents a well-embedded norm that frames, at a minimum, both the rhetorical dimensions of China’s policymaking and the instinctive thinking of its policymakers. As one clear example of this, Beijing has invested heavily in the Asian Infrastructure Investment Bank (AIIB), and it is by far the largest contributor, providing \$50 billion (half) of its start-up funds. This money is at least partly geared towards supporting the activities of the BRICS Development Bank – now renamed the New Development Bank (NDB) – to which China has contributed an equal share (\$10 billion, rising to \$20 billion) as the other four members. It also established the \$3 billion South-South development fund at the United Nations General Assembly in September 2015, and used export finance in general as a way of driving trade-based accumulation. At the very least, then, Chinese trade policy embodies a distinct understanding of *responsibility* towards

the developing world as whole, and a genuine desire to advance its wider economic interests in tandem with that. Yet equally, because of its dual identity and the fluctuating political-economic dynamics underpinning it, it would be difficult for China to offer clear leadership of the WTO as a whole, or set out a new agenda that might realise such widely dispersed benefits.

### *Internal contestation*

It is hard to overstate just what a revolutionary process WTO accession was for much of the Chinese bureaucracy, in diplomatic, institutional and symbolic terms alike. As Hilpert (2014, p. 11) puts it: ‘Although China joined the WTO as a developing country, it had to make far-reaching commitments on market opening and liberalisation that were *without parallel* in the history of GATT and the WTO’ (emphasis added). He further notes that it was only because of the imperative of accession that Prime Minister Zhu Rongji was able to impose such radical policies against the wishes of those opposing reform, many of whom today still feel that the price of admission was too high. This, moreover, remains an enduring question: it continues to be reproduced in debates over the pace, timing and, ultimately, extent of China’s continued opening up to the global economy.

In an intriguing inversion of the conventional ‘policy space’ debate – whereby poorer developing countries are seen to have their industrialisation options hemmed in by WTO accords (see, *inter alia*, Wade 2003, Rodrik 2004, Shadlen 2005, Gallagher 2008) – it is externally-mandated liberalisation which has driven growth and augmented China’s freedom for manoeuvre. However, the likelihood of reformists successfully making the case for further domestic liberalisation is much higher if the external body of regulation provides for that possibility, which, at present, it does not. Other institutions in the bureaucracy depend on protectionism to maintain and extend their own considerable space for initiative. As a consequence, throughout the 1990s there were fierce internal battles over the very idea of liberalisation via WTO membership, an outcome that was never assured, and even today remains highly contested. Some ministries and economic governance institutions remain reticent about greater liberalisation, since this would deprive them of, firstly, certain privileges, and, secondly, when conducted by the Ministry of Commerce (MOFCOM) via the WTO, control over *the nature* of that



liberalisation. Consequently, ‘reformists’ and ‘conservatives’ still have to collectively negotiate a policymaking environment characterised by increased fragmentation in which they counterbalance each other (Jiang 2013, 2016).

This is not simply a case of inconsequential battles over the protection of bureaucratic empires. The challenges facing many ministries are acutely sensitive. A typical example is the Ministry of Agriculture, which is – quite understandably – reluctant to liberalise the agricultural sector for fear of the broader consequences for farming. In a country with, as suggested above, tens of millions of often-poor people still employed on the land, where the thorny challenge of rebalancing is already underway (see Bishop 2018a), it is hardly surprising that powerful interests are loath to risk destabilising a peasantry that has undermined many dynasties during China’s long history. In a similar vein, the National Development Reform Commission (NDRC) is also reluctant to liberalise for fear of domestic infant industries, which in many cases are not yet globally competitive, coming under heavy pressure. Perhaps even more importantly, we also have to bear in mind that China is not necessarily a naturally liberal-trading country. Therefore, its bureaucratic set-up – and thus the orientation of its ministries – was largely designed to stabilise a uniquely enormous domestic polity, economy and society before the era of globalisation began. National security is also an important consideration: it is often used to guard against large-scale liberalisation while China is still feeling its way to modernity. Underpinning all of this is a serious degree of geographical and regional diversity: marked regional differences of political economy – or ‘varieties of capitalism’ – can be identified, too, with some provincial governments exhibiting a more liberal orientation while others are of a distinctly statist bent (Breslin 2011, Mulvad 2015).

There also exist vested interests in state-owned enterprises (SOEs) which often push back against liberalisation. This may be problematic, since China is reaching the innovation frontier in some sectors, something that potentially requires a greater injection of competitive pressure and more nimble management to effect successful international market performance (Kennedy 2016). As a consequence, there is growing recognition that these firms have begun to outlive their crucial role in stimulating and

driving industrialisation, and, in some cases, are oversized, inefficient and serving to crowd out private investment and further innovation. However, the relative slowdown that has become evident since 2014, along with the market jitters of 2015 and beyond that have been intensified by Trump's tariff war throughout 2018, as well as the tricky process of rebalancing, all potentially strengthen the hand of those advocating a slower pace of continued opening up and reform.

Almost every industrial sector in China, however advanced or globalised, finds itself in a sensitive existential position, somewhere between growth and expansion amidst an ongoing slowdown, sometimes with substantial accumulated overhanging debt, as the state grapples with economic challenges that are coming to a head at the same time (see Bishop 2018a). These include: high levels environmental degradation, and mounting inequality between rich and poor and the rural and urban populations (Hsu 2015); a need to transcend the so-called 'Lewis Turning-Point', where the glut of rural labour dries up as urbanisation peaks, putting upward pressure on wages and thereby dramatically reducing export competitiveness (Das and N'Diaye 2013); and a consequent need to avoid the middle-income trap that some thinkers (e.g. Zeng and Fang 2014) view as a distinct possibility. As such, the argument that reform-sceptics can make is a straightforward one, particularly since it finds echoes on the lips of some western leaders now: that is, it is safer to eschew liberalisation, regardless of the economic merits of that process, if it will ultimately cost jobs and risk an even broader social dislocation.

Another issue relates to the lack of a clear government-business 'transmission belt' in the country's external trade negotiations, something that is central to the US and EU approaches. Although China has chambers of commerce and business associations, it seems that they do not always effectively represent the interests of businesses. There are two reasons. First, the government remains quite dominant economically and believes that it both knows what characterises the business interest and can represent it. Second, businesses themselves are not particularly well organised and, as a consequence, do not play such an active role in terms of directing the government to act on their behalf. This is exacerbated by the fact that many of China's most powerful business institutions are either state-owned, quasi-state

controlled or recipients of privileged market positions (as national champions). Even emergent global players frequently enjoy some form of public support. This is true at both the national level and at the provincial or local level, where regional governments have large stakes in firms and industries. In short, then, the government-business relationship in China is very different from that which prevails in the West: many business associations function effectively as an extension of the state, and their senior people are often former public officials. As part of its broader economic transition, the government is seeking to reform these associations, with the aim of making them more responsive to, and driven by, their membership, but this is likely to be a slow process.

### *The Fluctuating Importance of Trade Policy*

Trade has rarely been what we might describe as a ‘tier one’ issue in China. The leadership is keen on pushing reform and opening-up, but it has traditionally relied on the line ministries, mainly MOFCOM, to facilitate liberalisation. However, given the centralisation of steering power in the executive, much depends on the extent to which trade is considered a primary or secondary concern at a given juncture. This changes according to the prevailing orientation of different administrations, and the wider context at a given time (including the nature of negotiations themselves). So, the key challenge facing Chinese trade policymakers relates to whether or not there is, at a certain moment, sufficient will emanating from the top to be assertive in leading negotiations and other initiatives at the WTO. There is, in this regard, a significant contrast between the eras of Jiang Zemin-Zhu Rongji (1998-2003) and that of Hu Jintao-Wen Jiabao (2003-2013). During the Jiang-Zhu period, the top leadership directly intervened in the negotiation process. For example, Zhu himself came to the MOFCOM meeting with the incumbent American chief trade negotiator Charlene Barshefsky at the last critical moment before the US-China deal.<sup>iii</sup> However, during the time of Hu-Wen, the Chinese leadership mainly relied on MOFCOM to lead the WTO negotiations, thereby reducing its relative weight within Chinese domestic bureaucratic politics.

When Jiang Zemin was in office, WTO membership was a clear priority. His administration pushed WTO initiatives from the centre, helping MOFCOM to coordinate policy in Geneva with other

ministries and institutions in the bureaucracy. Today, with a different set of domestic priorities and the fact that there appears to be little to be gained from multilateral trade politicking, relatively less political capital is invested in it. Although it remains important, then, the WTO in general – and the stalled Doha process – appears a second-tier issue for now. There is no little irony here. Early on, when China was more fully engaged in the process, ‘it preferred’, as Matthew Eagleton-Pierce (2013, p. 79) has suggested, ‘to adopt quiet modes of diplomacy that did not appear to trouble Northern actors unduly’. However, as Beijing has accrued more power, and become more assertive when defending its interests, it has simultaneously eschewed decisive action at the point where it is both probably most able to exercise its influence and the multilateral process has fallen into deep disrepair. China still does not wish to be the ‘leading goat’. Some have questioned the effectiveness of this strategy, and the extent to which it still represents a plausible form of leadership for such a powerful country which is no longer ‘learning the ropes’ (Hopewell 2015, p. 328).

This reticence, then, certainly has a strategic component, and it could consequently be viewed, from a classically materialist IR perspective, as a form of reluctant hegemony: that is, China does not wish to pay the costs – particularly in terms of potential conflict – that more forceful interventions might occasion. However, a more generous interpretation would be that, even though policy leadership functions today within an increasingly ‘fragmented, decentralised and internationalised state’ (Hameiri and Jones 2016, p. 72), fundamental shifts still have to be authorised – and authored – from above. Consequently, MOFCOM and the wider trade policymaking bureaucracy within China are, on the one hand, increasingly enmeshed in evolving, expanding networks of influence, which in turn inherently shape quotidian negotiating strategies. However, on the other, altering the enduring rationale that underpins those strategies is impossible without leadership buy-in, but, once that change of direction is signalled, it is likely to cascade down into policy rapidly and decisively. Whether such a shift is presently plausible remains moot, as multilateral trade is not top of the current leadership’s in-tray. Part of the issue has always been that, as Doha progressed, it became clear that it might not stimulate much new trade anyway (Scott and Wilkinson 2011). This in turn helps to explain the rise of regional/bilateral Free Trade Agreements (FTAs), a number of which, as we discuss in the next section, threaten China.

### **Bringing the international back in (from a Chinese perspective)**

Until now, we have emphasised how structural explanations of China's leadership – or otherwise – of global trade politics need to be complemented by a deeper focus on domestic peculiarities. But what do international sources of constraint look like, from a Chinese vantage point? We focus here on the aforementioned shift to bilaterals. But first, it is worth contextualising the discussion by noting that geopolitics matters for China in a way that it does not for the West. This is partly reflective of its still-subservient position within the western world order more broadly. But it also has a regional or continental dimension: Beijing has to continually factor the reactions of other great powers into its decision-making in a defensive way, in a fashion that the West does not. One obvious aspect of this is the relationship with Russia, which, at present, is going through something of a 'honeymoon'. Nonetheless, as China negotiates, for example, an FTA with Georgia, the key question in the minds of Georgian diplomats relates to how Moscow might react. This in turn influences the nature of the Chinese engagement, which, for industrial and geopolitical reasons, is conditioned by the desire to export infrastructure, especially high-speed rail. Yet Russia, which has always considered itself hemmed in and with a desperate need to expand to the seas, may interpret this as provocative, even though, from the Chinese perspective, it is primarily about expanding commercial opportunities and connectivity in Asia, rather than any intrinsic geopolitical or hegemonic aspirations.

This brings us to FTAs such as the TPP and TTIP, which, although presently on ice in these specific manifestations, have represented a challenge, and continue to do so. It is sometimes remarked that China is not yet ready to engage in the kind of restructuring that participation in such advanced 'behind the border' agreements would imply. This argument undeniably acts as useful discursive cover for processes that are deliberately exclusionary. But, in certain respects, it is also true. There are two particularly sensitive issues: the role of markets dominated by SOEs and their gradual, rather than forced, sudden and destabilising liberalisation; and the question of workers' rights. But Chinese trade policymakers stress that these problems are far from insurmountable: WTO accession – indeed, simply gaining the requisite commitment to *even consider joining* the body – was infinitely more arduous than

adjusting to the imperatives of TPP would be. Moreover, were China to be invited to join a mega-agreement with the US and EU, and it made such a leap, these could plausibly act as external anchors of policy reform: using the past as a guide, it has regularly caught up with international standards that, at the time, seemed daunting and even impossible to meet.

More broadly, it appears difficult to understand western attempts at exclusion as anything other than a failure of diplomacy: the US and EU, in particular, have missed an opportunity to engage a policy community within China that, at times, has found itself marginalised, and therefore failed to assist its members in making the kinds of political and technical arguments required to overcome the powerful interests inhibiting deeper reform. As it is, the Chinese academic and policy communities have mixed views about TPP: broadly speaking, one group views it as a strategic attempt at encircling China; the other considers it a positive spur for domestic reform and opening-up. Although the government adopted an open and flexible posture towards TPP, it has moved strategically by accelerating the negotiations of the Regional Comprehensive Economic Partnership (RCEP) and the China-Korea FTA, as well as updating its FTA with the Association of Southeast Asian Nations (ASEAN) and further buttressing other regional institutions (Chin 2016). More interesting, perhaps, are China's new initiatives for building two grand silk roads: one to Central Asia, leading on to Europe, and the other to Southeast Asia, leading on to the Indian Ocean. These developments represent China's renewed confidence in finding its role in Asia, and, to some extent, an expansive response to its exclusion from western initiatives.

As with TPP, the responses of Chinese intellectuals to TTIP have been similarly mixed, and fall into three broad categories: positive, 'marginal impact' and negative (and our analysis here includes the obvious caveat that the agreement may well never be completed). The first group believes that, in the long and enduring aftermath of the twin crises of the US sub-prime mortgage market and European sovereign debt, it is indeed good news for the world trading system that the US and the EU, as two of the largest economies in the world, launched the negotiations.<sup>iv</sup> They generally expect, notwithstanding the unpredictability injected into the process by Trump's election, the US and the EU to shoulder their

responsibilities in the world trading system, and carry out genuine reform and re-adjustments in their own sensitive trading areas (such as regulatory issues and geographical indications), and substantively reduce trade barriers. In so doing, they expect TTIP to have a positive effect on the rest of the world.<sup>v</sup> On this reading, it can equally have spillover effects by putting peer pressure on other ongoing bilateral and multilateral trade negotiations.<sup>vi</sup> Some Chinese intellectuals even predict that, if TTIP moves forward smoothly, it might breathe life into the Doha Round negotiations again.<sup>vii</sup> Secondly, TTIP is considered good for China and other newly emerging economies based on the idea that transatlantic economic integration might be able to spur China's external trade, investment and economic growth.<sup>viii</sup> They believe that TTIP can boost world economic growth and therefore bring renewed momentum for China's further integration into a globalising world economy.<sup>ix</sup>

Those intellectuals that favour a 'marginal impact' explanation tend to believe that the Chinese export structure is highly complementary to those of the US and EU, and a free trade agreement between the latter will not change that complementarity. Since existing international trade norms and the contours of the international economic order have long been set by the US and European countries, TTIP will not overthrow or decisively undermine existing rules.<sup>x</sup> Others find that, although the US and EU have been fundamentally attempting to bypass emerging and developing countries to foster next-generation deep regulatory agreements and augment their existing advantages, China needs to be confident and show indifference to their actions. With the collective rise of myriad emerging economies and the increasing shift in the balance of power in the world, any international trade issue such as the reform of global trade governance cannot be properly or conclusively handled without their participation.<sup>xi</sup> This effectively means that, regardless of the direction of travel in TTIP (and TPP) the realities of the power structures of global trade will ultimately require the inclusion of new powers to a significant degree, not least since many of them are also involved in emergent Chinese-led forms of commercial and trade cooperation, through, for example, the RCEP and One Belt, One Road (OBOR) initiatives. This actually reflects, in certain respects, a modern variant of the argument made by Susan Strange (1985) many years ago to which we alluded earlier in the paper.

Opinion in the ‘negative’ impact category is more influential. Even those who believe that TTIP might boost global growth emphasise its downsides, particularly when it comes to setting new rules against the interests of China and other developing countries. Chinese intellectuals who take this view tend to have a number of concerns. Firstly, in their view any FTA between the US and EU – China’s largest and second largest trading partner – would cause significant trade diversion at the expense of Chinese exports.<sup>xii</sup> This is mainly because they are often competing with European and American equivalents respectively in each other’s markets, particularly since Chinese products are rapidly ascending global value chains. Secondly, a successful TTIP will undoubtedly change existing rules, thereby creating great uncertainty. Opponents believe that, apart from reductions in Chinese trade and investment, the most worrying aspect is that developed economies would be able to deploy the agreement to accelerate the establishment of new rules and new institutional designs, thereby profoundly reconfiguring the global trade architecture. This would in turn create pressure for China to follow rules that – once again – it has not played a part in shaping.<sup>xiii</sup> Without the binding of the multilateral framework of the WTO, the EU and US would be able to ignore those developing countries that have structural conflicts of interests with them. The developing countries will in turn become rule-takers.<sup>xiv</sup> Some Chinese intellectuals have therefore called on the US and EU to make certain that any ‘fruit’ from TTIP negotiations, should they ever be concluded, would be shared by as many countries as possible when transposing them to the global level, and it is felt that if the reasonable concerns of developing countries are ignored, globalisation itself could be undermined, thus creating a ‘lose-lose’ situation in the North-South model of trade.<sup>xv</sup> Thirdly, some argue that TTIP will further undermine any remaining hope that Doha might be resuscitated, even marginalising the multilateral trading system entirely.<sup>xvi</sup> If the EU-US bloc is ever decisively established, it will render the bilateral FTA far superior to the multilateral system, and will consequently weaken the competences and credibility of the latter no matter how open TTIP may ultimately be.<sup>xvii</sup>

## **Conclusion**

There is no doubt that China is today an extremely powerful state, with the ability to influence the shape of the global order in ways that it could not previously and that other emerging powers still cannot,



along with a broad commitment – that is perhaps stronger than even some western governments at present – to maintain a rules-based, liberal trading order. In this context, that Beijing has not sought to decisively lead the WTO out of its funk is, perhaps, not a particularly complex counterfactual puzzle, in that there are evidently convincing structural explanations that, up to a point, militate against such an investment of political capital in an era of pronounced flux.

Nonetheless, as we have sought to show in this paper, on the basis of a number of conversations with trade policymakers and other experts in the country, China’s ‘reluctant leadership’ cannot simply be read off from an inauspicious context and an uncertain set of potential payoffs that, even were Doha to be resuscitated, appear, at best, rather meagre, and unlikely to have much impact on the broader trade regime itself. Chinese agency has, then, been central to this story. A range of domestic sources of constraint, which have been navigated in different ways and at different times by key actors, have all shaped a particular orientation towards multilateral trade politics that could have unfolded differently. Our argument here is not that such agency somehow matters more than the structural context. Rather, it is only by adding it in can we offer a complete picture of why things unfolded in the way they did. A key element of this, alongside the domestic realities noted above, is the fact that Chinese policy elites interpret the structural context itself in quite distinct ways when compared to the Anglophone literature.

But why does this story matter, in a wider sense? We suggest three reasons. First, the collapse in the WTO’s shared ‘social purpose’ (Bishop and Muzaka 2018) means that multilateral trade politics are, today, on very thin ice: simply because the trade regime – as, again, distinct from the WTO itself – appears to be just about holding up at present, it does not follow that it will necessarily continue to do so. A range of threats exist on the horizon, and, in the case of the looming shadow cast by Trumpism, even much closer. This is not to say that the bicycle theorists are right. It is rather to note that the time lags that typify patterns of global social change are such that, a decade on from the global crisis, it may be too soon to confidently assert that nascent protectionist pressures will not heap even more pressure on the multilateral system. During the Great Depression, it took some time for countries to impose tariffs and other trade restrictions (Eichengreen and Irwin 2010) and then there was no WTO or similarly

extensive body of global rules which could militate against such protectionism when it came. It may be that the liberal order is surviving (Drezner 2015) or it may be that the full force of the backlash has not yet come.

Second, and related, China represents the best possible catalyst for a resurrection of, if not the WTO itself, certainly a new form of multilateralism. The establishment of the General Agreement on Tariffs and Trade (GATT) did not take place with developing countries in mind; most did not exist in 1944, and the body was predicated on the simple notion of liberalising trade between broadly similar, western states. This fundamental ontological rationale has endured through the transition from GATT to WTO. So, when Doha was brought into being a month before China became a member, it was misconceived from the very start: not only was it never going to be a ‘development round’ – understood in the sense of privileging the special and differentiated treatment (SDT) concerns of a much wider number of developing countries over the normal pattern of across-the-board, increasingly invasive, liberalisation – as per the publicity, it also probably could never have been. Indeed, the very fact that SDT has remained highly constrained in terms of both the types of countries able to enjoy it, and the basis on which they can do so, evinces this. However – and this is the third point – it is intriguing that, when speaking to Chinese policymakers, they appear genuinely disappointed, and, in private, highly critical of what they perceive as US and EU attempts to undermine a multilateral system that they joined in good faith, and which has not delivered that which was promised for developing countries as a whole.

Finally, the irony is that many ‘developing’ countries are today accruing enormous amounts of power, both individually and collectively. One does not have to be a realist to accept that the imbalance that this implies could generate serious instability and a fracture in the international system. A sensible long-term strategy for western liberals, then, would surely be to recognise the imperative of binding the BRICS and other emerging states to the rules-based international order by engaging those policy communities within them advocating reform, and which are best-disposed to multilateralism. But this would also mean listening: it is western intransigence, particularly in terms of respecting the kind of more flexible liberalisation that is required to distribute collective gains amongst societies at wildly

different levels of development, that has done so much to undermine the WTO and its social purpose. Chinese trade policymakers attribute the ultimate collapse of Doha to the US, and claim that developing countries as a whole are angry because they negotiated with sincerity, even as it became clear that the promised development boon was unlikely to be forthcoming, and they could understand India's demand for special safeguards which ultimately led to the Round's final collapse (see also Hopewell 2015). A key imperative for China, going forward, is avoiding the 'Kindelberger trap': that is, the situation that befell the US during the 1930s when it failed to provide global public goods as Britain experienced hegemonic decline. Ways will increasingly need to be found to share this burden, of which trade multilateralism is a crucial component (Morton 2017). As we have shown, until now, China has indeed been a reluctant leader, but the time may be coming where the structural imperatives on action are so great that the country will be moved to act more decisively than has so far been the case.

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<sup>i</sup> Confidential interviews were conducted by the authors in late 2015 in China with a number of trade policy experts and academics. We do not quote any of these respondents directly, however many of the unattributed ideas and explanations in the paper derive from insights offered by them, even though this is generally not noted explicitly in the text or in the endnotes.

<sup>ii</sup> The MOFCOM Debriefing on the WTO Hong Kong Ministerial, 13 January 2006, see: <http://www.topcanchina.org/src/2006-01/2139.html>, last accessed on 2 March 2016.

<sup>iii</sup> 凤凰大视野 ( Phoenix TV ) , “中国入世十年纪事” (In Retrospect of China's Accession to the WTO 10 Years Afterwards) , 29 January 2014 , available at : [http://news.ifeng.com/history/zhongguoxiandaishi/special/zhurongjicongzheng/detail\\_2014\\_01/29/33460840\\_1.shtml](http://news.ifeng.com/history/zhongguoxiandaishi/special/zhurongjicongzheng/detail_2014_01/29/33460840_1.shtml), last accessed 2 March 2016

<sup>iv</sup> Mei Xinyu, “It is Difficult to Predict Whether the TTIP is bane or boon” (Mei Ou Zi Mao Xie Ding Huo Fu Nan Ce), People's Daily (Overseas Edition), 16 February 2013.

<sup>v</sup> Wang Wei, “The Forecast of the Transatlantic Free Trade Area” (Mei Ou Zi Mao Qu Qian Jing Zhan Wang), Wenweipo Hongkong, 22 May 2013.

<sup>vi</sup> Ding Chun, “The Potential Effects of the TTIP on Emerging Economies Should Not be Underestimated” (Mei Ou Zi Mao Qu Tan Pan Dui Xin Xing Jing Ji Ti Qian Zai Ying Xiang Bu Rong Hu Shi), Wenhui, 25 February 2013.

<sup>vii</sup> Yicai.com, “Interview with Mr. Fan Gang, Director of National Economic Research Institute, China Reform Foundation”, <http://www.yicai.com/news/2013/04/2599428.html>

<sup>viii</sup> Li Chunding, “What's the Intention of the Transatlantic Free Trade Area?” (Mei Ou Zi Mao Qu Yi Yu He Zai?), Shanghai Zhengquan Bao, 2 April 2013.

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- <sup>ix</sup> He Weiwen, “China Should Give Early Response to the TTIP” (Mei Ou Tan Zi Mao, Zhong Guo Zao Ying Dui), Huan Qiu, 26 February 2013.
- <sup>x</sup> Chen Jimin, “Will the ‘Old Dream’ of the US-EU Free Trade Area Come True” (Mei Ou Zi Mao Qu Jiu Meng Neng Fou Cheng Zhen), Nan Fang Ri Bao (South Daily), 1 March 2013.
- <sup>xi</sup> Wu Zhenglong, “The TTIP is Easier Said Than Done” (Mei Ou Zi Mao Tan Pan Shuo Yi Xing Nan), Jie Fang Ri Bao (Jiefang Daily), 27 February 2013.
- <sup>xii</sup> “Jing Ji Can Kao Bao” (Economic Reference Newspaper), “Da Guo Yu Chong Gou Shi Jie Mao Yi Ge Ju” (The Great Powers are Going to Rebuild the World Trade Pattern), 7 February 2013.
- <sup>xiii</sup> “Jing Ji Can Kao Bao” (Economic Reference Newspaper), “Da Guo Yu Chong Gou Shi Jie Mao Yi Ge Ju” (The Great Powers are Going to Rebuild the World Trade Pattern), 7 February 2013. Li Chunding, “What’s the Intention of the Transatlantic Free Trade Area?” (Mei Ou Zi Mao Qu Yi Yu He Zai?), Shanghai Zhengquan Bao, 2 April 2013.
- <sup>xiv</sup> Guo Ji Shang Bao (International Business Daily), “China Must Stand Prepared in Response to the Challenges of the US-EU Trade Alliance” (Ying Dui Mei Ou Mao Yi Lian Shou Tiao Zhan Zhong Guo Xu Zuo Liang Shou Zhun Bei), 27 February 2013.
- <sup>xv</sup> Mei Xinyu, “It is Difficult to Predict Whether the TTIP is bane or boon” (Mei Ou Zi Mao Xie Ding Huo Fu Nan Ce), People’s Daily (Overseas Edition), 16 February 2013. Here, the North-South trade refers to the trade conducted between developed and developing countries.
- <sup>xvi</sup> Ding Chun, ‘The Potential Effects of the TTIP on Emerging Economies Should Not be Underestimated’ (Mei Ou Zi Mao Qu Tan Pan Dui Xin Xing Jing Ji Ti Qian Zai Ying Xiang Bu Rong Hu Shi), *Wenhui*, 25 February 2013.
- <sup>xvii</sup> Wang Wei, “The Forecast of the Transatlantic Free Trade Area” (Mei Ou Zi Mao Qu Qian Jing Zhan Wang), Wenweipo Hongkong, 22 May 2013.