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Globalisation and its interpretations: an analysis of the motivations for the apparent reversal of roles between China and the US in their attitudes toward globalisation

Master thesis for CIR



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Thank you to my supervisors for helping me structure and organise my ideas and my work, André for listening to my doubts and helping me make decisions, Petra for putting my head back between my shoulders, and my mother for being always there.

Abstract

For many years, the US has been the flagship of globalisation. But with the election of Donald Trump, the rhetoric has changed. At the same time, in Davos, Xi Jinping showed the will to step up and lead the globalisation movement forward. This thesis explores the conundrum of this apparent reversal of roles between China and the US in their attitudes toward globalisation. Through the theories of liberalism and realist constructivism it researches their domestic and international motivations, as well as their visions of globalisation. Finally, it discusses the gap between rhetoric and action of both leaders and consequences for policies.

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1. Introduction

In November 2017, to much astonishment of the entire world, the American people elected Donald Trump as its 45th President. (Tani, 2016) Branded as the “anti-globalisation” (Elliot, 2016) and “anti-establishment” candidate (Shandil, 2016), Trump’s election marked a new position of the US in the world. After decades of pursuing pro-globalisation rhetoric, the Americans seem to have turned inwards. A political outsider, Donald Trump based his campaign on heavy criticism over the free trade and immigration policies, as well as over the political elites: *“Our politicians have aggressively pursued a policy of globalization -- moving our jobs, our wealth and our factories to Mexico and overseas (...) Globalization has made the financial elite who donate to politicians very, very wealthy”* (Diamond, 2016). He questioned many of the pre-determined ideas of the US, such as its alliances (Calamur, 2016), its climate policies (Johnston I. , 2017), and even the non-proliferation of nuclear weapons (Fares, 2016). Presented as the Republican candidate, he had little support from the party. The perceived “losers of globalisation” – a majority of white, with lower levels of education from rural communities – were his main supporters. (Gould, 2016) Since Donald Trump’s election, we’ve seen him going back and forth in many ideas put forward in his campaign, and his policies are still unclear. But the message has been sent: the world can no longer count on the US to be the globalisation engine.

With the US seemingly stepping down from the leadership of globalisation, a surprising voice has appeared as a strong protector of the current liberal international order: China. Traditionally a more inward looking country, China has been slowly opening up in the past few decades. However, it has maintained a selective approach to globalisation. It opted to implement opening up policies with some limitations, leaving space for China’s own autonomy. The Chinese leadership has not integrated many of the values of globalisation in its own country. Such examples are democracy and free markets. But in the World Economic Forum in Davos this year (2017), after the election of Donald Trump in the US, Xi Jinping made a historical speech that put China in the front row seat of globalisation. The first Chinese leader attending this annual meeting, Xi defended liberal interdependence, claiming that *“The problems troubling the world are not caused by globalisation; (...) They are not the inevitable outcome of*

globalisation.” (Xi, 2017). It portrayed China as a sober leader of the globalisation movement, in contrast with the US’s belligerent choice. In the same speech, Xi promised “open doors” in China and broadcasted his wish for other countries to welcome Chinese investments and businesses. (Xi, 2017)

This new landscape of political rhetoric toward globalisation is new and unexpected. There are many questions that arise in a situation like this. Both countries are inherently different: in dimension, in economy, in culture and in political system. Their values and priorities have little in common. Thus, how come China is willing to pick up where the US stopped? Why is China being regarded as the leader of a globalisation movement that has been moulded by the US? Why has the US turned its back on the world? Did their values change, or have they been like this all along? Are both countries talking about the same type of globalisation?

This thesis aims to address many of these questions by exploring the motivations that led to this apparent reversal of roles between the US and China. To do this, the thesis includes a research of the domestic and international landscapes of this apparent reversal, as well as their visions of globalisation. Therefore, in order to investigate these elements, this thesis will explore, based on a theoretical analysis, the following issues:

1. The domestic socio-economic and political situations of each country. This will be done to understand what were the internal motivations that propelled the leadership’s decisions to adopt the current rhetoric about globalisation.
2. Analysis of the external motivations that created this reversal. This will be done by looking at the interactions between the countries and the international order.
3. The vision that the leadership of each country has for globalisation. What are these visions based on? Are they similar or do they compete?
4. A discussion on the actual policies of countries compared to the rhetoric of the leadership. This will be done to establish whether this reversal is *de facto* happening or if it is only what the leaders want to convey.

1.1. Problem formulation

“Why has there been an apparent reversal of roles between China and the US in the international order when it comes to their attitudes toward globalisation?”

1.1.1. Considerations

This problem formulation includes two presumptions. The first is that China has been hesitant toward globalisation and now has been promoting it. The second is that the US has been the flagship for globalisation and now is presenting a rhetoric that signals that it is stepping down of that role.

The involvement of China with globalisation can be observed in the study by Branster and Lardy (2006), *“China’s Embrace of Globalisation”*, a working paper from the National Bureau of Economic research, which provides an overview of its integration process through an economic perspective. Another important account of China’s involvement with the globalisation process is given by Duara (2008), where it is argued that globalisation in China has been adapted and moulded to the historical context. Furthermore, the basis for the assumption that China has been promoting globalisation comes from official addresses from its leadership, such as Xi Jinping’s speech in Davos this year (2017) (Xi, 2017), and several articles that reflect this idea (Bolton, 2017; He, 2017; Shepherd & Miles, 2017).

The assumption that the US has been promoting globalisation is based on literature from authors like Ikenberry (1996; 2010; 2011) and speeches from several leaders throughout the country’s history. These include President Bill Clinton’s address in the World Economic Forum in Davos in 2000 (Clinton, 2000) and President Obama’s Nobel Peace Prize (Obama, 2009). The apparent reversal in their attitude toward globalisation is based on President Donald Trump’s election. Many of his speeches have demonstrated a clear rejection of the globalisation process, including the inaugural address (Trump, 2017). Additionally, Seidel and Chandy (2016) expand on Trump’s relation with globalisation and the possible repercussions of the implementation of anti-globalisation policies by the US in the globalisation movement.

The use of the word *apparent* in the problem formulation has been deliberate. There is a large gap between what the leadership of each country claims to do and what actually happens. This gap will be addressed in the discussion part of the thesis. With this problem formulation I do not intend to claim that an effective reversal has happened. I claim that their rhetoric has indeed signalled a possible change. To speculate whether it will happen, does not fall in the scope of this project.

2. Methodology

2.1. Project design

As aforementioned, this paper aims to expand on the phenomenon of the current apparent reversal of roles between the US and China in the international order. This will be accomplished by analysing and discussing the reasons behind decisions from both countries to pursue different approaches toward globalisation. Therefore, the structure of this paper was organised to reflect the evolution of both countries through equal parameters: internal variables, external variables and visions. The project design, thus, was composed in a way that allows for an equivalent consideration of China and the US.

The structure of this paper, in broad strokes, consists of an introduction to the two theories used, realist constructivism and liberalism. Afterwards, I will do an analytical assessment of the internal and external variables that could have influenced their apparent reversal of attitudes. This includes a discussion of the collected data and results through two theories and an analysis of their visions of globalisation. Then, I will have a discussion about the difference between rhetoric and action, as to understand the accuracy of the reversal of roles. Finally, the conclusion will deliver the objective answer to the problem formulation by summarizing what was asserted throughout the thesis.

The analysis will deconstruct the evolution of both China and the US in their interaction with globalisation through three main parameters:

- Internal variables: this subchapter aims to answer the question of “*What happened internally that could explain this attitude reversal?*”. To answer

this, I will analyse both countries through their socio-economic development, how it affected legitimacy and the relationship between society and globalisation. These specific elements of analysis were chosen in order to apply the realist constructivist approach to this paper, as it helps to understand society's ideas of what globalisation means and how accurately the policies taken by the leadership reflect those ideas.

- External variables: this subchapter will answer the question of “*What happened externally that could explain this attitude reversal?*” by demonstrating the interactions between the countries and the international order. By observing them through the different theories, I aim to recognise the factors that provoked the change in attitudes toward globalisation.
- Visions: this subchapter will expose and counterbalance the vision of globalisation as put forward by the leadership of both countries by answering the following question: “*What are their visions of globalisation and how are they challenging each other?*” This will be done to create an understanding of how they are competing in the international arena, using the theories as basis of analysis.

To comprehend the phenomenon of the reversal of roles, the two theories will be used as lenses, thus allowing for a deeper assessment of the countries' reasons and motivations through different perspectives. This section will be delivering the arguments that will provide the answer for the problem formulation, which will be summarised and discussed jointly in the sub-conclusion. The answer will consist of the collected results from the analysis, together with the theories, that will provide a reflection on the nature of the reversal of roles by answering the several sub-questions.

The discussion will look at the reality of each leader's policy decisions in comparison to their rhetoric. Through this discussion, I aim at exposing the reasons why the word “*apparent*” is used in the problem formulation.

2.1.1. Theoretical considerations

The theories chosen for the discussion of the analytical results were liberalism and realist constructivism, as they provide two different perspectives on IR and, therefore, can provide a more holistic view of the problem.

Liberalism can explain the international order as it has been evolving from the start of the period where this paper focuses. This theory gives a more in-depth look at the dynamics of globalisation and can help justify the policy decisions of the countries analysed. As liberalism has many different interpretations, there was a need to limit the scope of the concept. Therefore, this project will focus on interdependent and institutional liberalism. These two particular theories were chosen because they can help understand the role of economic globalisation and the institutions that the US has put in place in the international order – and the ones that are now being created by China. Richard Rosecrance's "The rise of the Trading State" will be the start point of the interdependent liberalist theory application in this paper, as well as Keohane's neoliberal institutionalism in "After Hegemony: Cooperation and Discord in the World Political Economy".

Realist constructivism, on the other hand, can be helpful to expound the "other side of the coin" as it can help explain the attitudes toward globalisation, but also bring to the table the role of identity in this apparent reversal of roles. In this project realism was excluded because it would provide an outdated materialistic perspective that could have clashed with the important concepts of globalisation and international institutions focused on this thesis. Realism does not account for different perspectives on the cost-benefit valuation, and how identity shapes action. This is important in this thesis, as it analyses two very different realities and interpretations of power and how the liberal international order should work.

Constructivism also fails to provide a good tool for the analysis, even though it acknowledges institutions as tools to spread ideas and identity. This theory does not recognise that states have the power to allow (or not) certain institutions to exist, depending on whether they are in tune with the state's agenda.

Therefore, realist constructivism, as it will be expanded further ahead, combines the two theories, complementing each other to create a more comprehensive one that acknowledges both power and identity as key for IR.

By using both theories, this paper will balance opposite perspectives in order to provide objective arguments that can justify the decisions that are creating the current apparent reversal of roles.

2.1.2. Core concept

To answer the problem formulation, one key concept is important to understand: globalisation. This concept will be briefly addressed and defined here as to provide a better understanding of the problem formulation.

Globalisation

Globalisation is a broad term, generally loosely used. Thus, there is a need to delineate it in order to understand exactly what we are talking about. To study the issue of this thesis, there needs to be an agreement on which kind and which interpretation of globalisation will be analysed. The US and China look at globalisation in very different ways: while the US promoted a universal globalisation of economy, governance and culture, China generally talks about economic globalisation. However, China has been promoting the role of one of the most important global governance institutions, the UN, where it is a big player.

First, what is globalisation? Globalisation is the increased global awareness and connectivity in three main dimensions: political, economic, and cultural.

Political globalisation can be interpreted as the increasing multilateralism, or an expanding international system and international institutions in global governance. Such examples are the UN, WTO, World Bank and IMF, where ideally all countries have a voice in global politics. (Thompson, 2007, pp. 59-60) It's important to also note that political globalisation can transcend the state-relations, and include civil society globalisation – but in this thesis this dimension will be excluded as its' analysis would be entering a much deeper subject of IR that is out of the scope of this thesis.

Economic globalisation is characterized by Richard T. Ely, in a lecture revised by Fischer, as

“(...) the ongoing process of greater economic interdependence among countries, is reflected in the increasing amount of cross-border trade in goods and services, the increasing volume of international financial flows, and increasing flows of labour”. (Fischer, 2003, p. 3)

In other words, economic globalisation is the rising integration of economies through trade, labour and capital. Free-trade is one manifestation of this trend, and one that is included in this thesis when the term *globalisation* is mentioned.

Cultural globalisation is the homogenisation of the global culture, which can have a very close interconnection with economic globalisation. This is because the spreading of several transnational corporations, like McDonalds, Starbucks, KFC, can significantly standardise cultures by promoting specific goods and services, even though there is adaptation to local environments. (Robertson & White, 2007)

In this project, all dimensions will be taken into consideration.

2.2. Research methods and considerations

This project is based on empirical data from several official sources. Numbers such as GDP growth, employment rates, education rates, major sectors, among many others, were collected to be applied in the analytical parameters in Chapter 4. Among the materials used are official data and documents, including white papers, policy papers, statistical data, official statements, academic and research papers and news pieces. Of these materials, some will include interpretation of current affairs, for example parameters such as soft power effectiveness, allies or global influence. The paper will be based mainly on existing literature, as there was no possibility to gather first hand data or conduct interviews due to the macro scale of the issue.

The sources used are government official statements, international institutions such as the World Bank, news sources and magazines on IR analysis and debate, and academic and research institutions. Chinese data poses the question of credibility, as government sources tend to be unreliable. I am aware of this and used mainly international sources for the data analysed, even though they tend to be based on the official ones. However, even if the data is not 100% accurate, it should provide a broad indication of country's status. For this project, it will be sufficient to have that general idea rather than a specific quantitative account of data.

2.3. Research contribution

The subject of the power transition between China and the US has been extensively studied in academics. However, the fact that there is a lot of literature poses the question of my research contribution. I believe that this thesis provides a different approach to the transition of power between the two countries due to two main factors: (1) it uses a less known theory to explain their attitudes toward the current global order, the realist-constructivist theory, and (2) it reflects recent events that have not yet been covered by academia in a sufficient range, such as Trump's election or Xi's speech in Davos.

Additionally, I look at a specific concept, which is globalisation. By focusing in the interpretation of this concept by both countries, I provide a more concentrated approach that can deliver a partial explanation to both countries attitudes in the international landscape. Through my work, I aim to provide a basis for expansion in further investigation and academic research.

2.4. Delimitation

Since the issue is currently materialising, there may be developments occurring after the finalization of this writing that will obviously not be reflected in these findings.

As the US has been through recent elections and the new Administration has just started its mandate, the analysis of its policies will be based on what they aim to do, rather than actual policies. The discussion section will aim to clarify the difference between the rhetoric and the actions.

Another limitation in this thesis is the macro scope of the subject. There are many other variables that I don't mention which could help explain the reversal of roles. These variables, such as geopolitical issues, macro-economic issues, influence of media, civil societies, among others, can provide a complement to the study, but due to space restraints they remained excluded. The elements chosen are the ones that I believed to be more pertinent to the case and theories, and that can provide sufficient proof to my thesis.

This thesis also does not address the divergent domestic opinions opposing the leadership of each country. Donald Trump was elected among many protests, and China often has mass protests and censorship that does not allow us to understand the magnitude of the opposition. Both oppositions represent sets of values and interests that are not embodied in the leadership's decisions, which is why I opted to exclude them from the analysis. Donald Trump has been elected and his views should be the ones representing the US's, while Xi has been elected by the "centralised democracy" of China and should be the one representing the views of his country.

3. Theories

In this chapter, the two theories – Liberalism and Realist Constructivism – will be introduced on in order to provide an understanding of what they consist of and how they can be useful to the analysis.

3.1. Interdependent and Institutional Liberalism

This sub-chapter will expand on Keohane and Rosecrance's theories on liberalism. Both authors believe that logic can produce peace and win-win cooperation. They also agree that as progress and modernisation ensue, so does civilisation's ability to think logically and improve relations between states.

Rosecrance's interdependence liberalism theory defends the idea of two types of states: political-military state and the trading state. The former is characterized by the pursuit of territory and military expansion as the path to prosperity and international power. It can be traced to the Cold War. The latter, however, has evolved to entertain different priorities, namely trade. (Rosecrance, 1996) This type of system is the one that will be further analysed.

A trading state, according to Rosecrance, searches for less costly and more suitable ways to achieve pre-eminence in the international order, thus focusing on foreign trade and economic development. This is the result of modernisation, he argues. It began after WWII, as Germany and Japan engaged in international economy aiming to improve their trade relations and benefits, and succeeded. Opting for the military strategy was no longer an option for both countries, since its costs greatly surpassed its profits. (Rosecrance, 1996) For a trading state, the best path for global power and domestic prosperity is through economic strength. Nations are now pursuing a more economic focused approach to IR rather than military. As Rosecrance affirms: "*A nation's economic strategy is now at least as important as its military strategy; its ambassadors have become foreign trade and investment representatives*" (Rosecrance, 1996). Larger states have less motivation to become trading states due to their strength and self-sufficiency, but size no longer matters as military technology evolves and fixed assets, such as land, lose their value. (Rosecrance, 1996)

This theory also explains the long peace period experienced after WWII, as more countries are entering the trading system. War impedes international trade. Therefore, since trading states are engaged in the exchange of goods and services between each other, as well as highly internationalized division of labour, it generates mutual dependence and thus deters them from conflict. Moreover, specialization of each countries resources and goods should also remove the motivations to engage in conflict. (Rosecrance, 1996)

Rosecrance sees further economic interdependence as the desirable path to power and peace. The reason is that growth in some western countries has started to lose its pace. He claims that as countries reach high level of development, their economic expansion rate slows down and they need to internationally expand their markets further in order to “(...) *find enlarged opportunities for trade and growth*“. (Rosecrance, 2013, p. 5)

This engagement in trade takes the power in IR away from the countries' leaders and spreads it throughout the different levels of government and to non-state and transnational actors, such as firms. This creates a new dynamic of foreign affairs, based on an intricate interdependence, where military force is not an efficient policy tool. In order to ably manage these exchanges between states, international organizations have a key role, allowing for coordination among the trading countries, which leads us to Keohane's neo-liberal institutionalism.

Cooperation is one of the major concepts in understanding Keohane's theory. He understands it as negotiation, or “policy coordination” to reach an agreement. States cannot just follow their own interests; they have to check if that pursuit would cause problems to the international order – which means that they need to coordinate with each other. Harmony, important to differ from cooperation, is a utopic state on which the best interest of one country is the best interest of all. Therefore, every country can pursue their own interests without cooperation. When there is the inability to reach an agreement through cooperation, then there is discord. (Keohane, 1984, pp. 51-52)

The platforms on which this policy coordination can be discussed are international regimes - institutions - which provide implicit or explicit agreements between member states that create a framework on which they interact. These

regulations establish a mutual regulating task, as each state is aware that the others must abide by them. (Keohane, 1984, p. 89) Keohane describes international regimes as “*sets of implicit or explicit principles, norms, rules and decision-making procedures around which actors’ expectations converge in a given area of international relations*” (Keohane, 1984, p. 57)

The hegemonic power in the international order establishes the framework of these institutions, nonetheless they can survive without its control, Keohane claims. If the institution has been providing an effective cooperation platform, reducing cooperation costs to its members, and there are no better options, instead of just fading out, its management would effectively be transferred to the most powerful states (Keohane, 1984, p. 102), even if there would be the need to adapt it. (Keohane, 1984, p. 107)

In the presence of a hegemon, international regimes can become a tool to compel other states to behave and cooperate. Without it discord can occur, as the efforts to coordinate several interests and maintain an ordered global political economy are more complex. Hence, it makes institutions ever so important in the absence of a hegemon. (Keohane, 1984, p. 244)

My argument is that the US has been heavily engaging in an institutional liberal offensive as the global hegemon. It has created an international regime framework to promote cooperation, stability and development through interdependent liberalism. I also argue that China is engaging with the international order through an interdependent strategy. This is done by promoting and participating in deep economic involvement. I believe China is moderately adopting an institutional liberalist approach, as it is engaged in international institutions. However, it shows some hesitations when these institutions are not in the realm of economic interdependence. Examples are the sluggish involvement in the UN Security Council or the preference for conflict resolution through bilateral discussions. So, both countries have similar beliefs in their engagement in the international order, but interpret them differently, which leads us to the next theory.

3.2. Realist Constructivism

In this section, the concept of realist constructivism will be explored and defined, through several authors. As this theory combines two IR concepts, they will be broadly defined first, and then the understanding of the term as a whole will proceed.

There are many definitions of realism, however one thing seems to be common to all: realism believes that IR revolve around power. The denomination of *real-ism* indicates that it pursues a pragmatic study of IR, looking at it as it is, the reality of it, and not an idealised way it should be. Some authors give more importance to the role of power, like Morgenthau; some give less; many focus on military rather than other types of power (like economic, organizational or moral). But it is still a central concept in this theory. (Barkin, 2003, p. 327)

Power is held majorly by states, another important concept in realism. However, in contemporary realism, as power can be in other types of organizations, states are not necessarily central to the theory, but a relevant concept nonetheless. Domestic situations are also relevant, as Barkin puts it: *“In realism, states matter because they have power; people and domestic institutions matter because they determine how much power states will have, and how that power will be used.”* (Barkin, 2003, p. 328)

Constructivism, on the other hand, is connected to social norms and ideas as the main sources to actor's actions and structure building in IR. This means that the *“facts of international politics as not reflective of an objective, material reality but an intersubjective, or social, reality”* (Barkin, 2003, p. 326)

There are two main branches of constructivism, that can be differentiated by *neoclassical*, which argues that empirical investigation is possible to analyse reality; and the *postmodernist*, that it's impossible to grasp reality as it exists no matter if we study it or not. For the concept of realist constructivism, the former is used. (Barkin, 2003, pp. 326-327)

Finally, realist constructivism argues that states' identity and social construction influence the balance of power relations in international relations. This means states pursue and understand power in different ways because of their identities, as there is no

unique understanding of power. But still, the states are the holders of the power and can manage and interpret the identity as it suits them. (Barkin, 2003, p. 337)

Thus, the source of decisions comes from identity, but with the ultimate objective of increasing power. The US pursues the expansion of power created by its ideals – democracy, free trade – because it is in their best interest. It is shaped by them, but ultimately shapes them as well. For China, on the other hand, the pursuit of power is through other means, as their social constructions are different. They follow more the route of economic globalisation, political non-intervention and shared development, based on its own identity, its own interpretation of international relations. (Barkin, 2003, pp. 337-338)

The relation between actors – agents and structure – is what structures nation's interpretation of the world. Therefore, the state is the one that allows certain ideas to propagate and, thus, promote this identity that, in turn, shapes its own action. (Barkin, 2003, p. 337) Thus, power matters, as the one that is in power is the one interpreting the norms and ideas, as Barkin explains:

Even if all actors in the international system at a given point in time accept the same basic set of normative structures, they will differ in their interpretations of those structures, whether for rationally self-interested reasons or for psychological reasons. When interpretations differ, the power of the interpreter continues to matter.
(Barkin, 2003, p. 337)

The realist constructivist framework provides a good basis for the understanding of the actions of and interactions between both countries. There are clear traces of a power struggle between China and the US. I argue that it comes down to the values and interpretations that each one is able to put forward in the form of their vision globalisation. Until today we have seen a globalisation based on the American values and beliefs which are expressed in the liberal international system. But as the US loses its grasp on power, China is stepping up with its own interpretation of what the international order should be, based on its own values and beliefs, even if China has been complying with the current liberal system.

This thesis defends that both countries behaviour can be explained by using a realist constructivist approach. In the US's case, I claim that Donald Trump was elected due to its rhetoric of "Making America Great Again". It puts forward the idea of a strong US in the international order, that can steer globalisation in its favour. In China's case, its involvement in liberal strategies is a result of assimilated values from the international order – but its interpretation of them differs from the one put forward by the US. Thus, China's rise has the ultimate objective of maximizing its influence over the decision-making process and promote a globalisation with Chinese characteristics.

4. Analysis

In this chapter I will try to answer three questions in the three different subchapters, which will be summarised in a sub-conclusion. The first subchapter looks at the domestic socioeconomic evolution and tries to see what happened inside the countries that could justify their attitude reversal toward globalisation. The second subchapter analyses the external variables that could provide the same justification, such as foreign policy and global influence. The third subchapter tries to understand both countries' vision of the concept of globalisation and how they compete in the international system. The final subchapter wraps up the analysis by looking at what was acquired throughout the three previous subchapters and applying theory to try to answer the problem formulation.

4.1. Internal variables

Since WWII, the two countries have had very different engagements with the globalisation. In this subchapter, we will look at the internal factors that could have influenced the interaction with globalisation, such as socioeconomic development and impact of globalisation in the countries' leadership.

China has witnessed unprecedented growth over the last 38 years, since the economic reforms of Deng Xiaoping. In this subsection, my main argument is that China's rise, which happened through the implementation of Deng's "reform and opening up" policies, generated a strong socioeconomic development that laid the basis of the Chinese leadership's legitimacy. Thus, as globalisation was one of the sources of this growth, it has become a positive concept to China.

The US, on the other hand, after WWII, has had an initial development that put it in the forefront of the world in terms of economic growth. However, in the late years, its growth rate has decreased and it has been losing out to developing countries. I aim to prove that the US economic development has stabilized and the domestic socioeconomic issues, like inequality, have been more noticeable as there is no economic growth. Low-income communities inside the US have ceased to benefit from economic development and have seen themselves as losers of globalisation. This

created a backlash toward the political “establishment” that has been promoting the liberal institutional global order led by the US. It explains why Trump’s rhetoric of “Making America Great Again” and “America First” had so much success in the blue-collar voters.

To answer this, I will look at data from different official sources to understand exactly how deep this development was and how it affected people’s lives. Afterwards, I will look at the development as a source of legitimacy for both countries and what that meant for its leadership. Finally I will be connecting the findings with the attitude reversal toward globalisation. To answer the problem formulation under a realist constructivist approach, it’s important to understand the domestic situation of the country and what are the values and ideas that move society. These are the factors that make the leadership adopt certain policies in detriment of another, and high levels of political legitimacy means that the leadership is reflecting society’s views and not acting regardless.

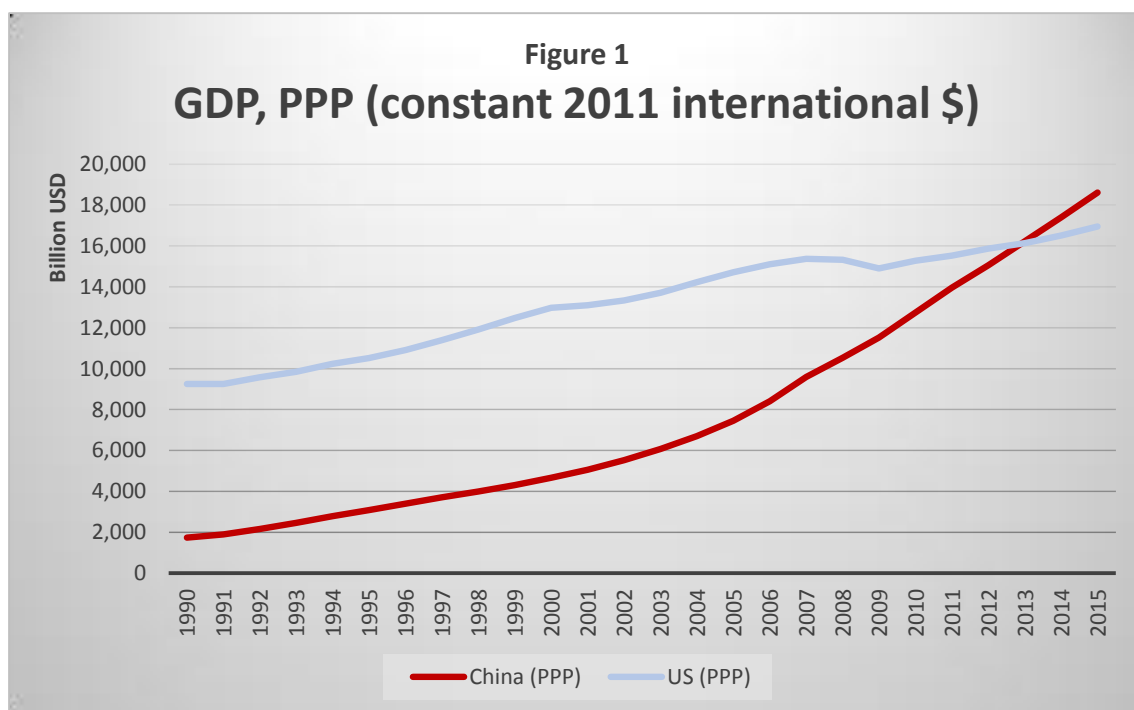
4.1.1. Socio-economic development

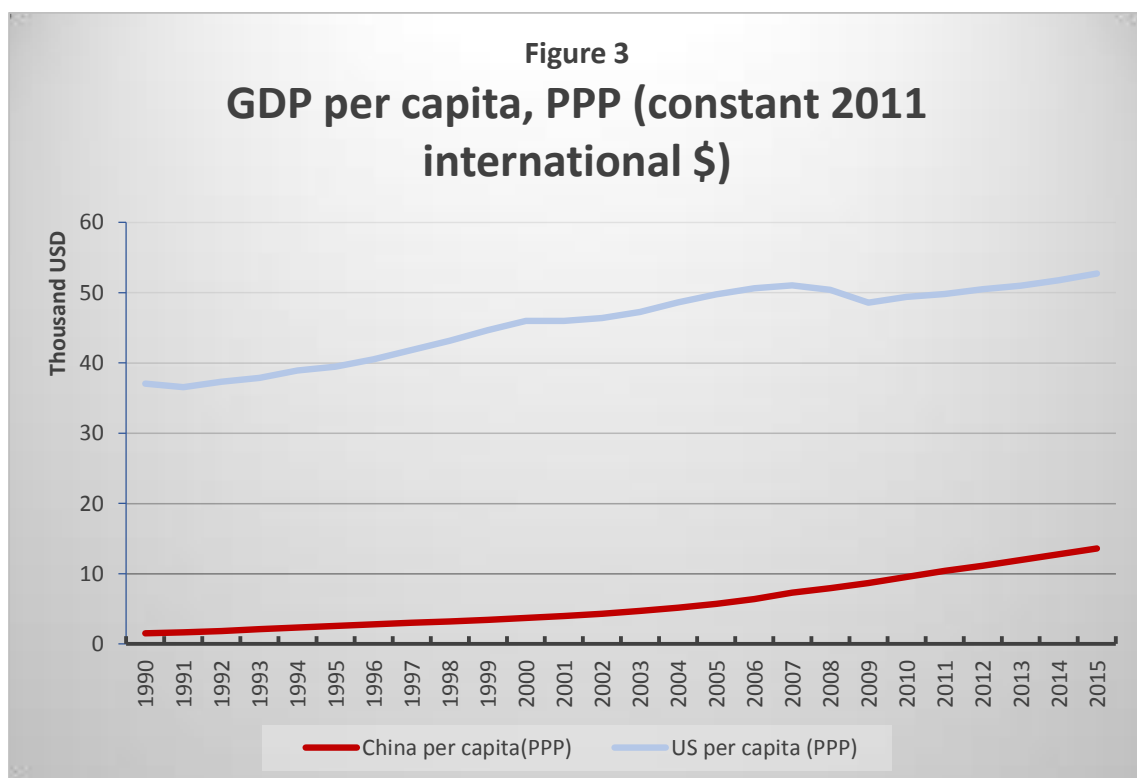
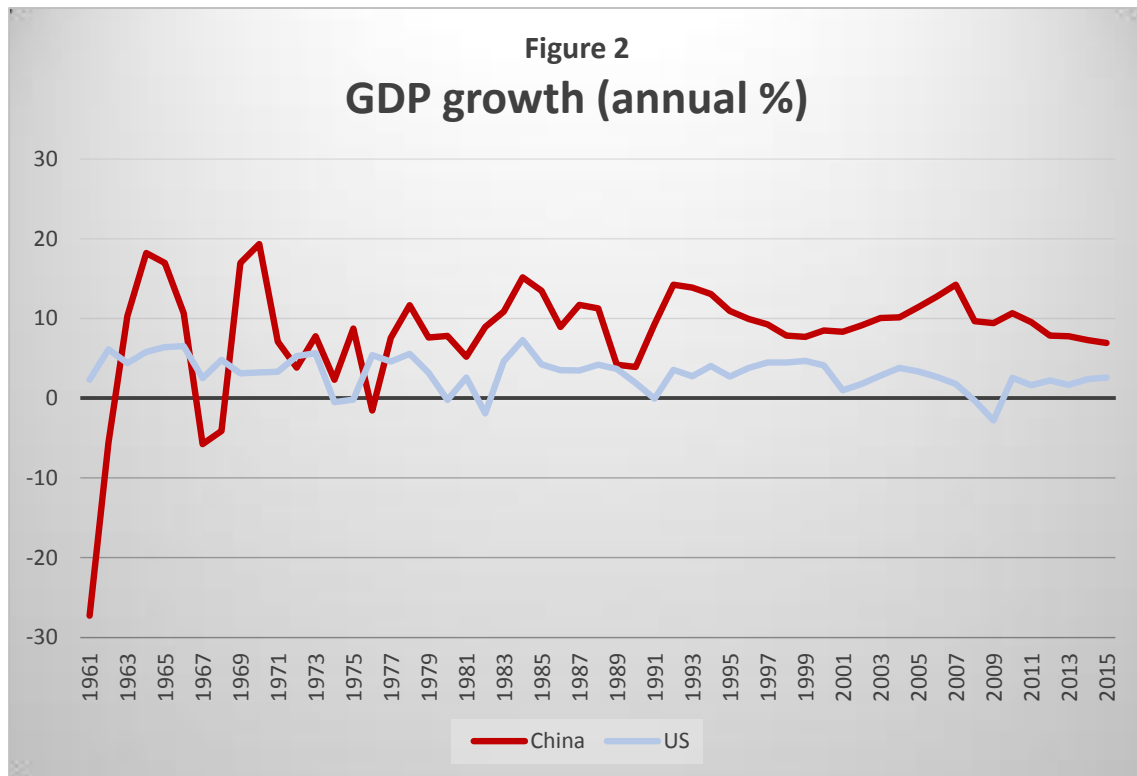
Looking at the most basic data on economic growth, the GDP, in Figure 1, 2 and 3 we can observe total GDP (PPP), GDP growth rate and GDP per capita (PPP), respectively. Figure 1 and 3 provide us an overall view of how both economies have evolved since 1990’s, after the end of the Cold War, while the Figure 2 offers a view of the growth rate since the 1960’s.

As it can be understood from the visual representation of both countries economic growth, they have had incredibly diverse paths. Looking at the first figure, we can see how they started out with a large economic gap, with the US on the lead. But the development of economic growth for both countries has created a new reality: US’s growth rate has been slow, barely reaching above 4% since 1984, and economic growth has almost stagnated; whereas China has seen a sustained high growth for many years which propelled its economy upwards. The result is a slow widening gap between the economies and, in 2013 China overtakes the US as the major economy in the world by PPP, even though in nominal amounts it still comes in second.

GDP per capita tells another story: both countries have been steadily growing with a consistent wide gap between them of about 35 000 USD. This can easily be explained by the large difference in population size, with China reaching the 1,4 billion mark and the US at around 330 million people.

However, while China has enjoyed a steady growth with no noticeable obstacles, the US had a massive setback in 2008, which can be observed in the 3 figures: the financial crisis. This crisis provoked a severe slowdown in the American economy, plunging GDP growth to almost -3% in 2009.





Data from World Bank

Nonetheless, even though GDP is a suitable method to identify economic development, it does not portray the entire evolution of both countries. These changes have reflected much deeper impacts in socioeconomic development which I will be demonstrating through analysing other important indicators, such as poverty rates, education, health, wealth distribution, among others.

There is, beforehand, an important distinction to be made which can help interpret the data: China is considered a developing country while the US is a developed country. In essence, what the distinction reflects is the GDP per capita gap between both countries. (World Bank, 2017a)

However, as we've seen, China's incredible growth indicates that the nation is rapidly becoming, or has already become, a developed country. As a sign of this transformation, China has supposedly reached all the Millennium Development Goals, imposed by the United Nations, by 2015. These goals consisted of: (1) eradication of extreme poverty and hunger, (2) achieve universal primary education, (3) promote gender equality and empower women, (4) reduce child mortality, (5) improve maternal health, (6) combat HIV/AIDS, malaria and other diseases, (7) ensure environmental sustainability, and (8) develop a global partnership for development. (UN)

Below, we can see the poverty rates of both countries based on their official data. Note that both rates are calculated differently. China's rural poverty rate is based on the World Bank's calculations of the international poverty line both from 2011 (1,9 USD p/day) and the one before (1,25 USD p/day) (World Bank, 2016a). The American calculations are grounded on a more complex group of factors based on a threshold calculated by the US Census Bureau:

“If a family's total money income is less than the applicable threshold, then that family and every individual in it are considered in poverty (...) The official poverty thresholds are updated annually for inflation using the Consumer Price Index.” (Proctor, Semega, & Kollar, 2016, p. 43)

Even though this represents two different types of poverty, they will be analysed equally due to the different development status of both countries.

If we observe both figures, 4 and 5, we see once again the tendency: a stagnated US and a developing China.

Figure 4
Percentage of people in China living below the poverty line 1981-2012

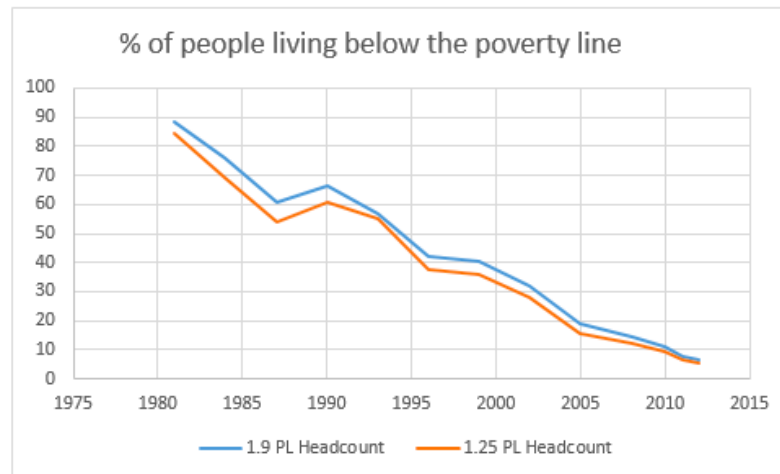


Figure from (World Bank, 2016a)

Looking at this first specific parameter, the rural poverty rates, we can see China had a sharp decrease of over 90%, as indicated by Figure 4. Indeed, China's economic reforms produced an immense impact in poverty. Urban poverty was virtually eradicated (Stuart, 2015), and overall around 800 million people have been lifted out of poverty (World Bank, 2017a). To put in perspective, that is the populations of all European Union (if we don't count the UK) and the US together. Poverty reduction is not a unilateral indicator, it has a significant impact in the domestic economy: with less poverty, disposable income increased which led to rising consumption, which grew from around 111 RMB in 1960 to 19.397 RMB in 2015. These values don't count inflation, but the disposable income has been able to catch up and provide people with more purchase power. (NBS)

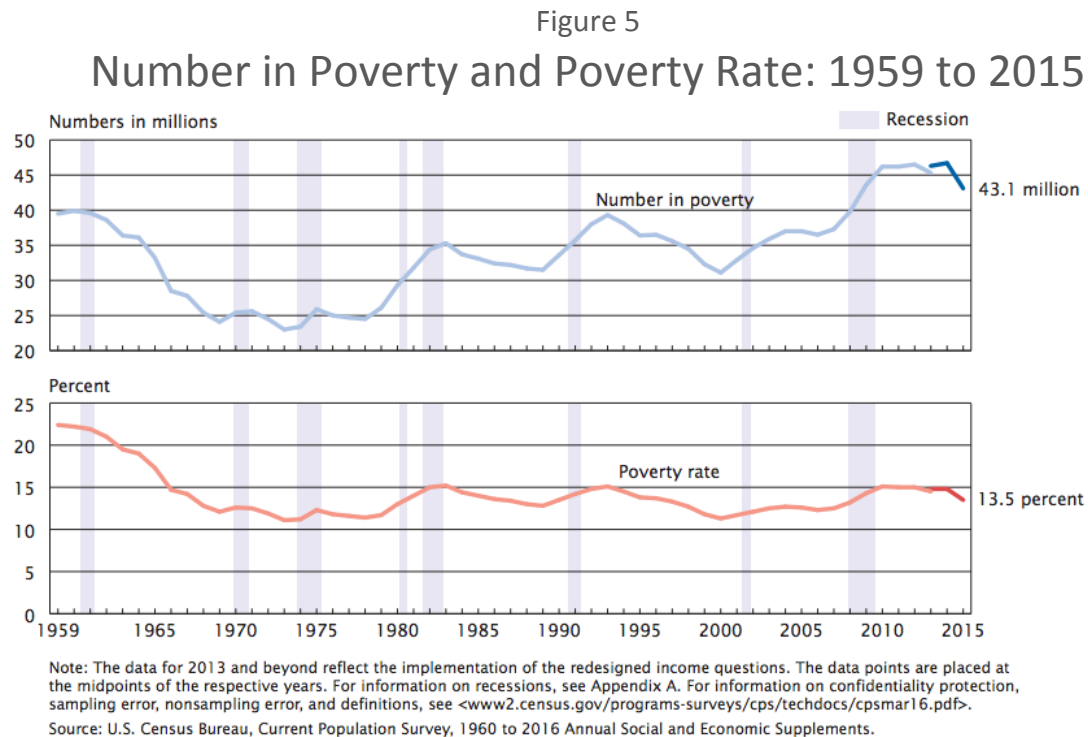
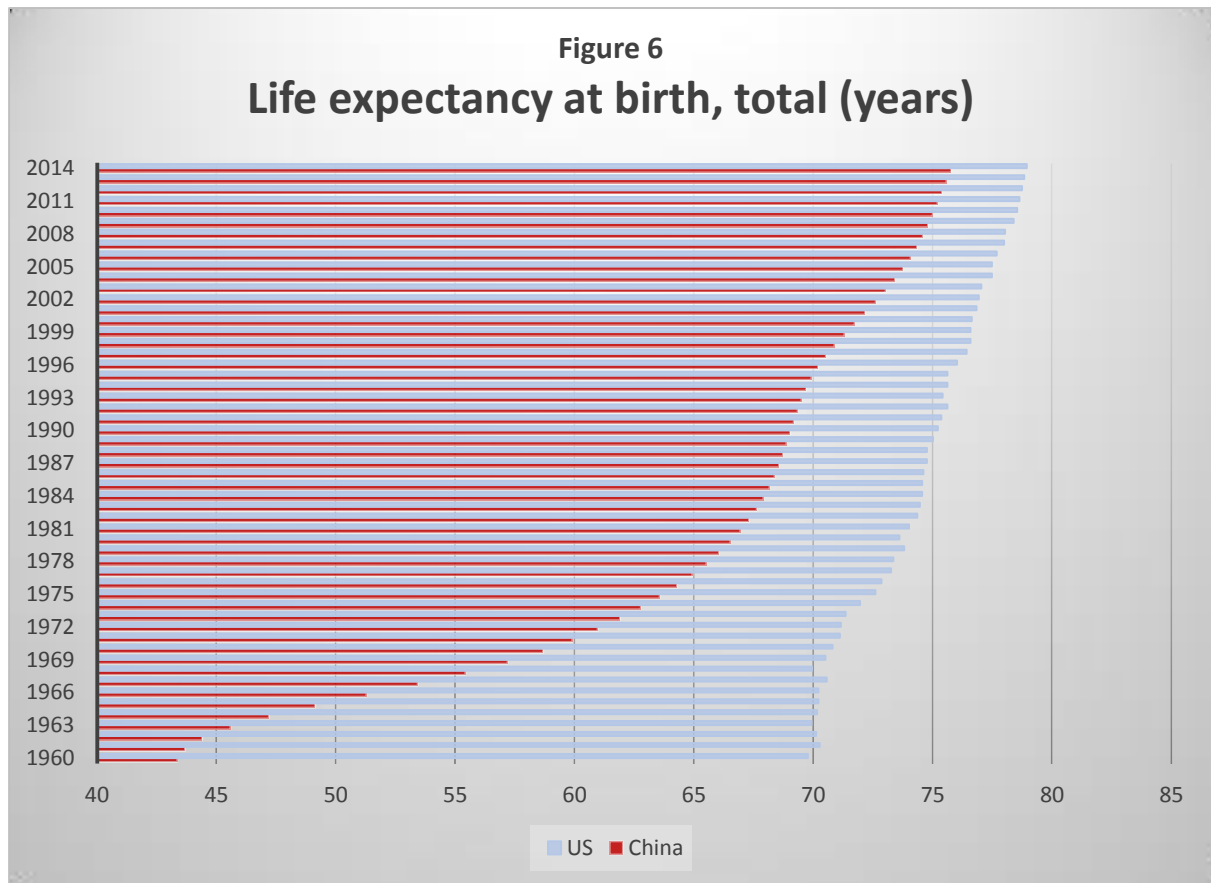


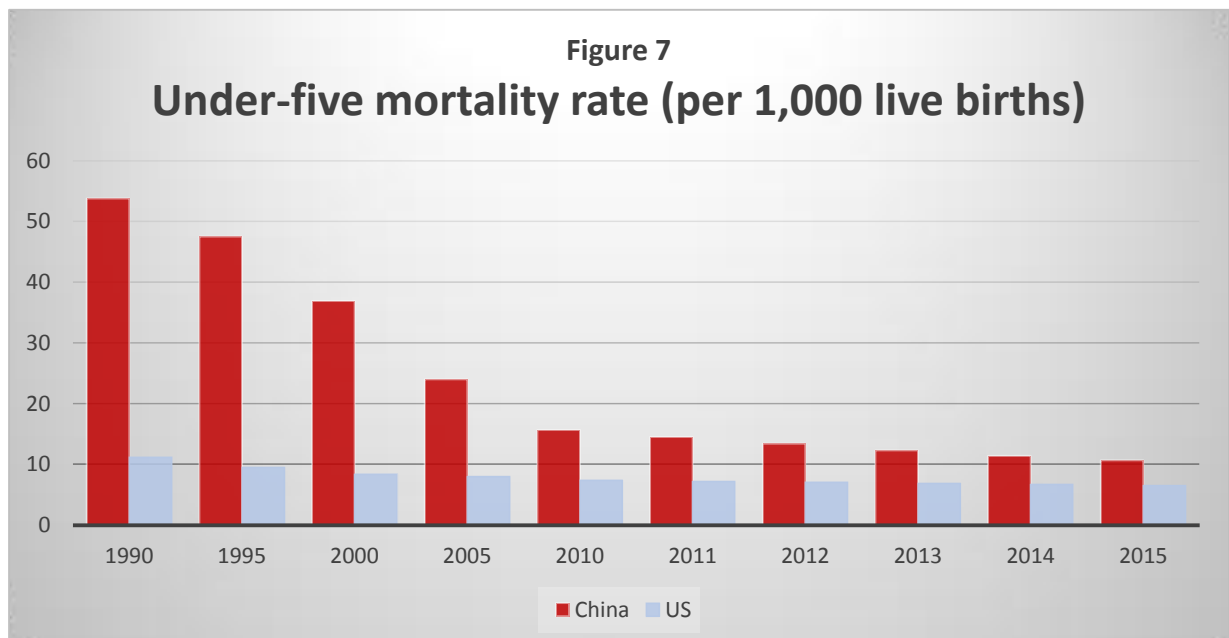
Figure from (Proctor, Semega, & Kollar, 2016, p. 12)

During the same time, poverty in the US has been mainly the same in terms of percentage of population. However, in absolute numbers (since the population increased), the number of people living in poverty has been increasing, especially during the 2008 financial crisis, as shown by Figure 5. By 2015 the US had more people living in poverty than in 1959. Before the late 1970's, however, the US was registering a decreasing number of poverty among its population. Still, it started increasing by the end of the decade, and then again after early 2000's. Even with median household income increasing from around 44.000 USD in 1967 to 56.500 USD in 2015 (Proctor, Semega, & Kollar, 2016, p. 5), which is big jump, the US witnessed an escalating poor population.

In China, not only was poverty tackled, so was healthcare access, which is a key factor for people's quality of life. As Figures 6 and 7 show, life expectancy increased from less than 45 years in 1960 to almost 75 years in 2014 and infant mortality decreased from over 50 children in 1990 to little over 10 children per one thousand births in 2015. In the US, as a developed country, the values have been positive, thus its data is presented in order to compare it with the Chinese data.



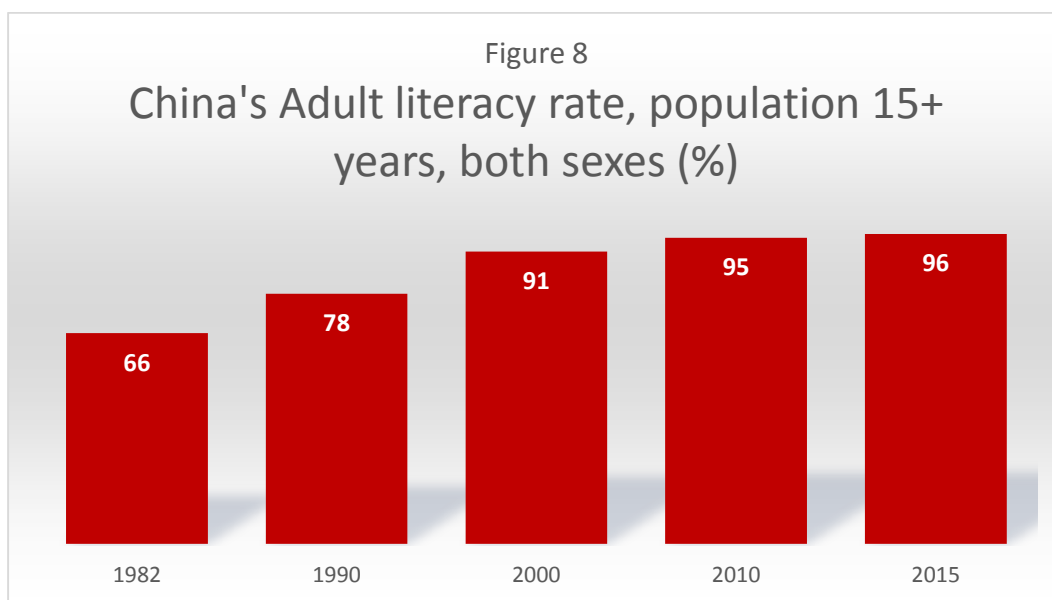
Data from World Bank



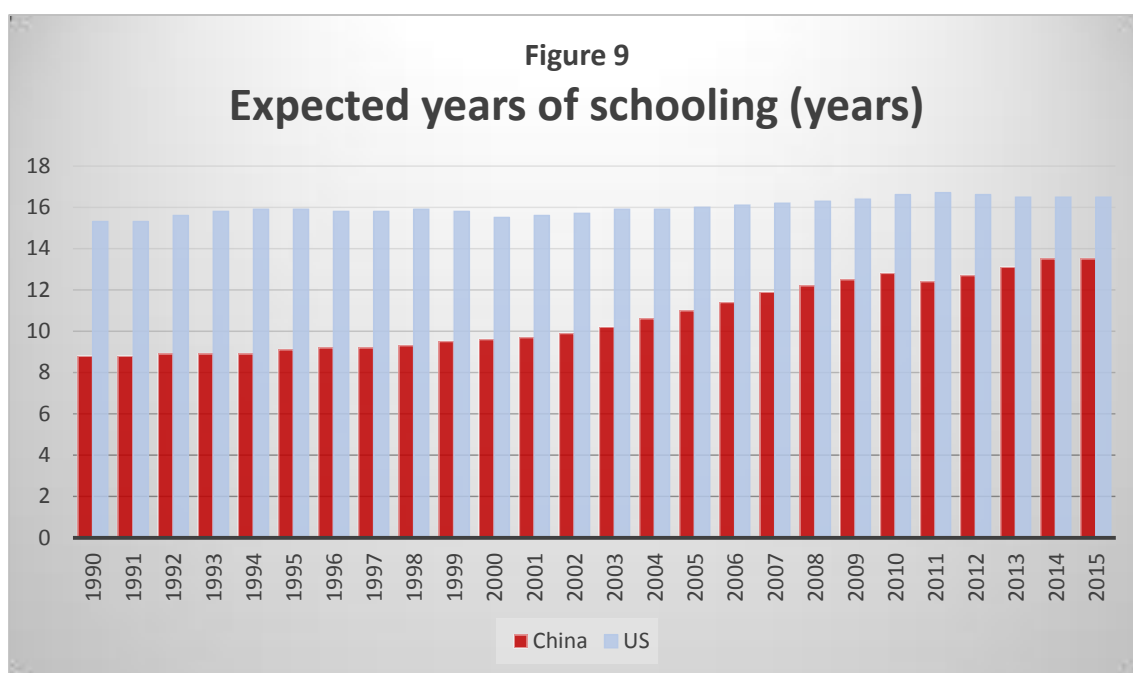
Data from UNDP: <http://hdr.undp.org/en/indicators/57506>

However, healthcare access has always been an issue in the US. Its status as a high-income country presents other types of demands as of healthcare access, which the US has not been able to address. Its coverage has not been neither universal or equal, especially compared with other high-income countries. Even timely access to primary care has been a challenge to low-income communities inside the country, although high-income communities have registered no obstacles to acquire the same care. However, the latest Affordable Care Act (Obamacare) has been a step toward changing the tendency (Davis & Ballreich, 2014), even though President Donald Trump has tried to reverse the bill.

Besides health, education access has also been a positive development in China, and by 2015 the country had almost 100% of literacy, compared to 1960, where only less than 70% of adults over 15 years old were literate, as showed by Figure 8. Figure 9 indicates the expected years of schooling of both China and the US. In the US, again, the numbers have been generally high and serve as a comparison point to China, where the expected years of schooling increased from around 9 years in 1990 to almost 14 years in 2015. Chinese people became more educated a better informed, as they were able to have access to more diversified sources of information (newspapers and books).



Data from World Bank



Data from UNDP: <http://hdr.undp.org/en/indicators/69706>

The US, as we've seen in the figures above, it does rank above China, but access to education is unequal and expensive. The latest report on access and affordability of higher education in the US by the Institute for Higher Education Policy (IHEP) shows that students from lower-income communities have access to less than 5% of the colleges in the US, while high-income communities could access over 90% of universities. (IHEP, 2017) Additionally, student debt is soaring in the US as "*there are more than 44 million borrowers with \$1.3 trillion in student loan debt in the U.S. alone. The average student in the Class of 2016 has \$37,172 in student loan debt*" (Friedman Z. , 2017).

Another indicator that I will be analysing is sectorial contribution to the GDP in terms of output and employment, especially due to China's shift. The US has maintained a stable structure.

China's economic structure has been transforming for the last 4 decades, displayed by Figure 10. China started as an agriculture dominant economy in 1956, with the primary sector contributing with over 42% of its GDP, while the industrial and service sectors contributing with approximately 26-30%. The Great Leap Forward greatly shook the GDP's composition, as it propelled the secondary industry's contribution and decreased the output of agriculture. But economic development often

is followed by a specific shift in the three levels of industry's contribution to GDP. And China is a clear example of that shift: it went from an economy dominated by agriculture, to an industrial dominance from 1970's until around 2010/11, and by 2012 the contribution of agriculture was reduced to around 7%, while the tertiary industry escalated to over 50%.

Figure 10

Composition of GDP by three strata of industry (%)

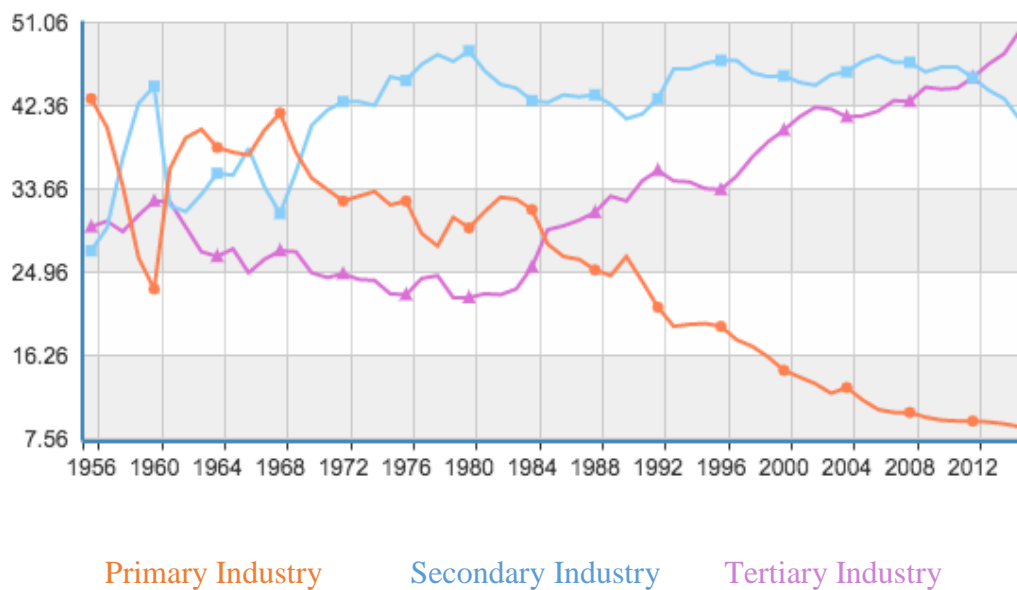


Figure from National Bureau of Statistics of China

Figure 11

Employed Persons per strata of industry (10000 people)

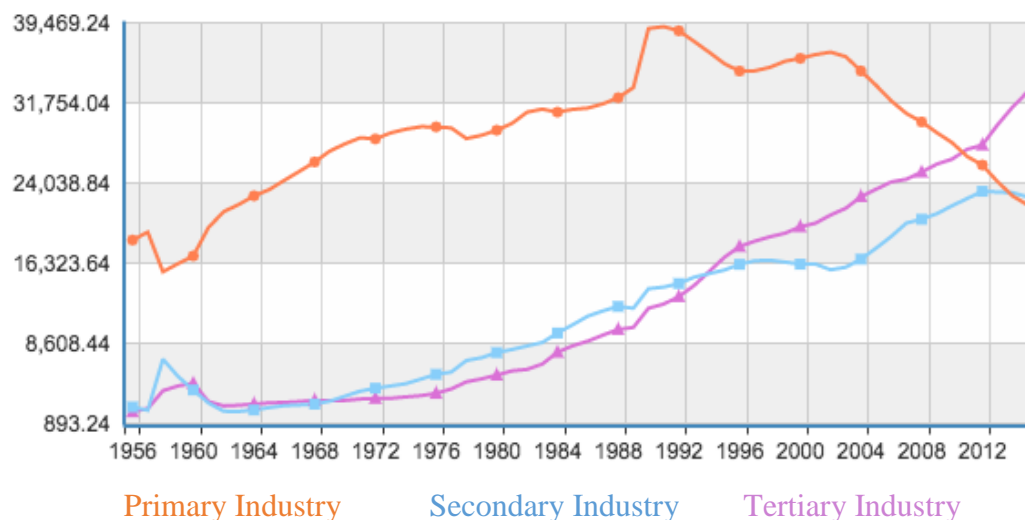
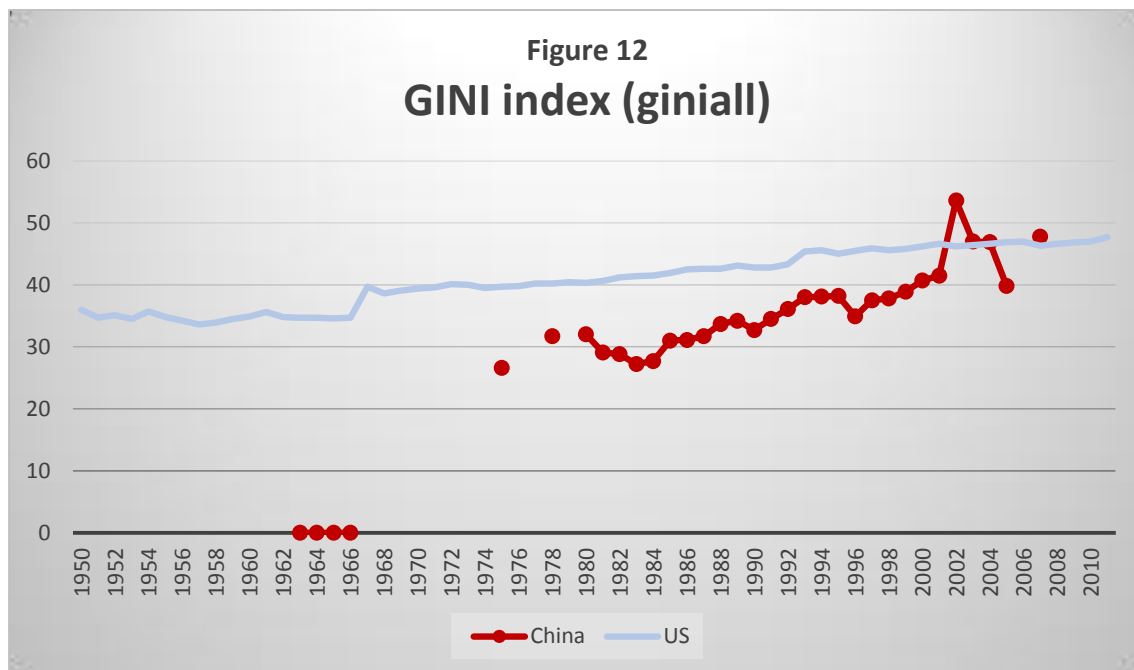


Figure from National Bureau of Statistics of China

This shift does not only reflect in economic output, it also deeply impacted society and labour. Figure 11 shows the development of employment in the three sectors from 1956 to 2012. Employment was slow to reflect these transitions, but by 2012 there was a clear change. China had been typically an agrarian country, but in 2001 that trait started to reverse. As both the industrial and services sectors started gaining more importance in GDP, more jobs are created and, thus, more people gravitated toward them.

The US has had this shift long ago, in the beginning of the XX century, (Johnston L. D., 2012) and by 2014 the services sector contributed with over 77% output to GDP. (World Bank, 2017b) However, the problem in the US is different, and has been one of the pillars of Donald Trump's campaign: the loss of manufacturing jobs. With countries like China rising up as manufacturing hotspots with cheaper labour force, the US has been losing out, especially since the latest economic crisis when it lost around 300.000 jobs in the sector. (White House, 2017)

For economic growth to have a real impact in society, wealth needs to be well distributed and not concentrated in the political elites or specific strata of society. Therefore, I will analyse the GINI index evolution as well, which measures wealth distribution and income equality: the closer a country is to zero, the better. Figure 12 looks at the GINI index, which consists of a combined Gini coefficient of several sources calculated by the World Bank, in China and the US from 1950 to 2011. China's GINI index is relatively high and has been growing, which is normal for a country that is getting more inflow of capital. This growth, however, is still quite recent and the latest numbers are comparable to the US's. To put it in perspective, the world average GINI was around 62, 5 in 2013 (World Bank, 2016b, pp. 9-10), and China has about 1/7 of the world's population.



Data from World Bank (World Bank, 2014)

To understand better how the top and bottom parts of the population have been impacted by the economic development, we can look at the World Wealth and Income Database, which shows the share of fiscal income distributed in the top 1% and bottom 50%. Below we have the figures, 13 and 14, which display the comparison between China and the US. We can see how, even though China's inequality in income distribution is rising, the US's has been rising as well at a much higher percentage, reversing the tendency that had been in place until late 1970's. (WID.World, 2017b) At the same time, the bottom 50% have been enjoying consistently less amount of the fiscal income in the US. One study found that, throughout the years, adults in the US were increasingly poorer than their parents: the *absolute income mobility* diminished from 90% in the 1940's to 50% in the 1980's (Chetty, et al., 2017). In China the same trend has been in place until around 2005, when it started reversing, with the share of total fiscal income by the bottom 50% reaching around 16% in 2015. (WID.World, 2017a)

Figure 13

Top 1% fiscal income share

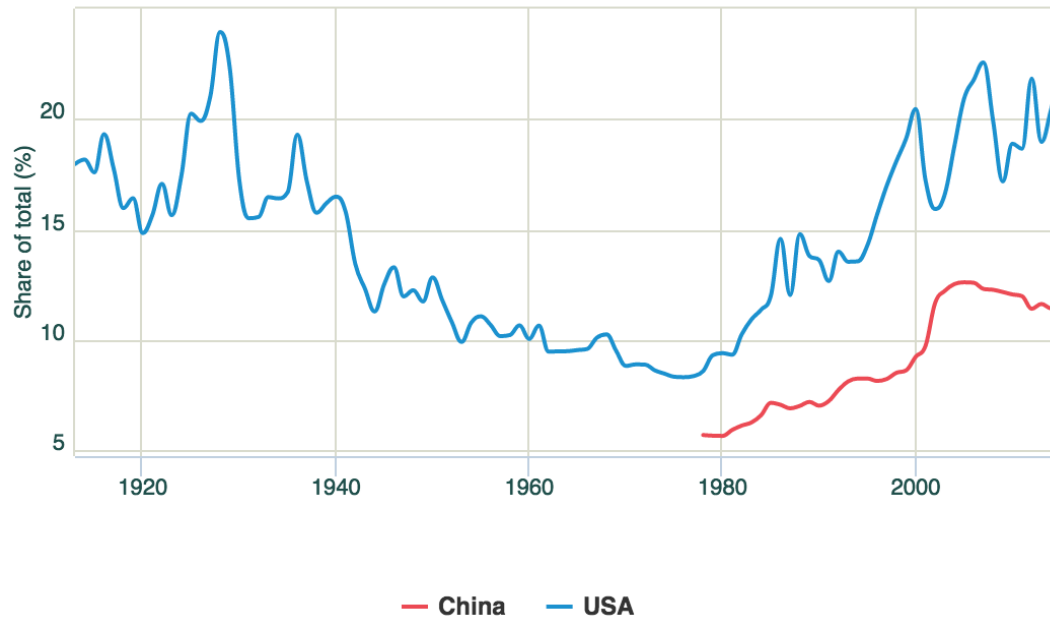


Figure from (WID.World, 2017b)

Figure 14

Bottom 50% fiscal income share

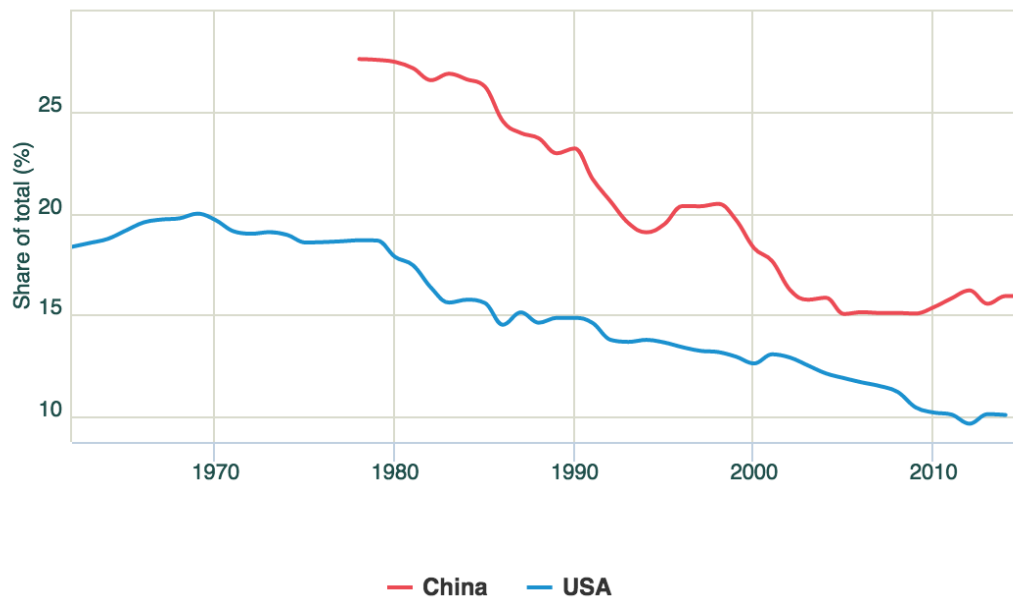
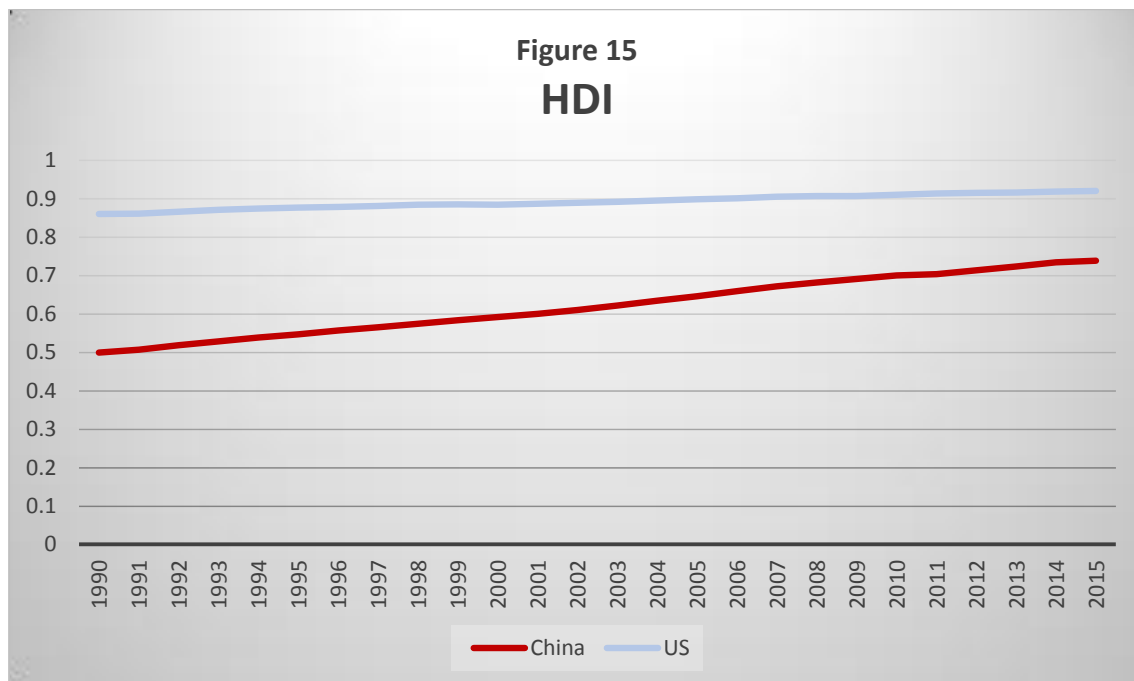


Figure from (WID.World, 2017a)

As a wrap up of all the aforementioned data, the United Nations Development Program put forward an index, the Human Development Index (HDI), which takes into consideration three main dimensions of human development: longevity and health of life, knowledge and standard of living. The evolution of the HDI is shown in Figure 15, and we can see it has been growing since 1990 for both countries, but with a sharper curve in China.



Data from (UNDP, 2017)

Overall, what we learned with this data is that the two countries have experienced two different scenarios over the years. China is a very different country than that of 30 years ago. The change happened within a lifetime, and many of the people that lived in poverty now witness a much more developed country and experience a better quality of life. Even though growth has not spread uniformly, the analysis above proves that even though China is still a developing country, the reality is that people are now living better lives and the change was fast and significant.

The US, on the other hand, has been a developed country for many decades, and its growth has stabilised. There hasn't been any significant economic development, it has stagnated. However, social problems have risen, inequality being the most critical one, but not the only one: racial tensions and insecurity also have been feeding the social frictions (Mead, 2017). We've seen it in healthcare access, in education

affordability and income share, and the 2008 economic crisis has increased the basket of issues in the US:

“Since the recession of 2008, American workers and businesses have suffered through the slowest economic recovery since World War II. The U.S. lost nearly 300,000 manufacturing jobs during this period, while the share of Americans in the work force plummeted to lows not seen since the 1970s, the national debt doubled, and middle class got smaller.” (White House, 2017)

However, the US is still much more developed than China. If we look at inequality, for example, even though China has a more even distribution of income, the amount of income shared by the bottom 50% between China and the US means, of course, two completely different things. The bottom 50% in China consists of much higher number of people and the fiscal income shared by them is much less than of the US – nevertheless, this is not the comparison that is relevant in this project.

The relative development is what matters. Inside the two countries there are two different realities: Chinese people live in a much better country than before, but American people have seen no development, or even negative development in low-income communities where manufacturing was the main conductor of economic growth. China has taken around 40 years to reach the levels the US has maintained for decades.

China is, indeed, doing better than before. The US, however, is the same or, in many ways, worse, even though it still has a better socioeconomic situation when compared to China. But for the people in those countries it does not matter the comparison with an outside reality. What matters is whether people feel they are doing better or worse than before.

This partially explains the American’s crave for change and Donald Trump’s success: it is why America wants to be Great Again. China, on the other hand, just wants to continue the path it is taking toward prosperity, as it has been a successful one.

4.1.2. Development – Political Legitimacy

In this section I will be linking the socio-economic evolution of both countries with the their leadership's political legitimacy. Given that the US and China have different political systems, the analysis will be reflecting those distinctions: in the US, I will talk about the legitimacy of the “political establishment”, the Republicans and the Democrats alike, and how the loss of credibility was reflected in the elections; in China, I will talk about the legitimacy of the CPC as justified by the Party and the overall feeling from the population.

In order to connect the evolution of the socio-economy analysed above with the political legitimacy of each country, I will first briefly define where the respective legitimacy is drawn from.

“All governments derive their just powers from the consent of the governed” (Huntington S. P., 1968, p. 93). This consent is what confers legitimacy to the governments but is, however, provided by different sources in China and in the US.

In the US's political establishment has its legitimacy based on democracy (Fukuyama, 2013) and its constitution (Katz, 1992, p. 792). As the leaders have been elected by the people, their decisions are considered legitimate and should reflect the people's needs and desires. The constitution stipulates the limits to its power and works as a system of checks and balances. In China, as the leadership was not elected by the people, legitimacy comes from two major sources: government performance and people's patriotism. (Holbig & Gilley, 2010, p. 396)

As the *American Dream* started to become very hard to attain by the common American, no matter which Party they elected, people started losing their trust in the political system. In fact, the stagnation in development and the inequalities that have been breeding inside the country have produced a large anti-establishment movement that was reflected in last year's presidential elections, which saw Donald Trump, the *“anti-establishment candidate”*, win. (Page & Heath, 2016) On the subject of inequality and political instability, Huntington argues

“Economic development increases economic inequality at the same time that social mobilization decreases the legitimacy of that

inequality. Both aspects of modernization combine to produce political instability.” (Huntington S. P., 1968, pp. 57-58)

The 2008 economic crisis exacerbated the distrust of people on the political establishment, as they witnessed themselves losing jobs and going bankrupt while companies like Goldman Sachs were compensating their executives with large bonuses. (Barlett & Steele, 2012, p. 29) Furthermore, the severe dependence of the political campaigns on private investments from corporations (Wellford, Pathe, & Montaro, 2016) creates a great suspicion that the policies chosen by the politicians people elect are not in their best interests but in the interests of the firms that finance their campaigns. Indeed, according to a poll from Gallup from 2016, only 3% have a “great deal of trust” in Congress and 33% have very little trust in the Presidency. (Gallup, 2016)

This inability to address the loss of legitimacy by the government, either being run by the Democrats or the Republicans, created resentment from the people toward the political establishment: *“When mainstream politicians are unable to generate meaningful responses to inequality, social exclusion and insecurity, populists of various ilk gain ground.”* (Hirsh, 2016) Such an example is Donald Trump’s rise to presidency.

Donald Trump’s campaign used the rhetoric of “Making America Great Again”, which mobilised the lower-income, white Americans, who have been feeling as the losers of the US’s economy and politics – either by the inequality rising and economic stagnation or the *Jacksonian* feelings of patriotism (Mead, 2017). The slogan appealed to nostalgia of the times when their country was thriving and they felt included – economically, politically and socially.

The Chinese, however, have seen development flourish. China transformed from an agrarian society to an industrial centre and now to a service economy; from an underdeveloped country to the second largest economy in the world. This change is bound to have a profound impact on peoples’ lives and how society views their leadership. Indeed, studies suggest that China’s trust in their central government has been increasing, despite incidents such as the Tiananmen in 1989. Instead, the people redirect any dissatisfaction with policies toward local government and authorities. (Wright, 2013)

Chinese leadership draws much of its legitimacy claims from the performance of its policies. This concept, *performance legitimacy*, indicates the ability to attain certain objectives, such as economic growth, that would display the competence to rule. (Zhu, 2011, p. 123) In fact, Deng Xiaoping was aware that the CPC was at risk of losing its legitimacy, as the country was slow at recovering from the previous era: “*Deng once said if the CCP did not implement reforms, it would lose its “membership of the Earth,” which clearly signified concerns about losing the fundamental legitimacy to govern.*” (Zhu, 2011, p. 124)

Moreover, as quoted by Zhu, Laliberte and Lantegne note that “[no] one believes that reference to the heroic narrative of the revolution can sustain a viable claim to legitimacy. Everyone agrees that economic performance represents the foundation of the CCP’s continued ability to assert its authority.” (Zhu, 2011, p. 124) Thus, the relation between development and the Chinese government’s legitimacy to rule becomes clear: as they were the ones creating the economic growth and national power, they bolstered their perceived aptness to govern the country.

Likewise, the Chinese leadership was able to create the results analysed in the previous subsection, whilst opening up its economy but still retaining control over domestic market. The Chinese model of development was one that allowed space for growth but did not compromise the role of the domestic market or become dominated by foreign capital. Above all, the Chinese model endorsed a controlled marketization of economy overseen by the State (Nathan & Scobell, 2016, p. 319).

Thus, we can infer that leadership of both countries drew different outcomes from their socioeconomic evolution in the past decades: while the negative pattern of development, marked by severe inequalities and social issues, caused US’s political establishment to lose credibility giving way to a populist, anti-establishment rhetoric that took form with Donald Trump’s “Make America Great Again”, China’s CPC gained a powerful source of legitimacy through the positive socioeconomic impact of its reforms and paradigm change.

4.1.3. Globalisation – Development – Political Legitimacy

As we've seen, there have been two reactions toward leadership that stemmed from the socioeconomic evolution in both countries: the US experienced a rejection of the political establishment in favour of a populist leader, while Chinese leadership underwent a reinforcement of its legitimacy. In order to understand how this relates to their perceptions of globalisation, we should understand the governments' relationship with the international order.

The American politics, ever since WWII, have been based on its role as the “leader of the free world”, creating an international liberal order and promoting globalisation. This had many accomplishments that were positive to the world, revolutionizing global politics and bringing peace in many areas where war was recurring. Besides, it integrated many other developing countries, taking 500 million people out of poverty and providing the tools for development of such countries. (Ikenberry G. , 2010, pp. 513-514)

However, domestically the US's political system is perceived as not pursuing the best interest of its people but those of the corporations. These corporations' extensive financing and lobbying of American politics damaged the legitimacy of the political establishment. The interest of these corporations is to expand – and globalisation is the best way to engage in expansion. It is indeed good for the firms to outsource their work in places where labour is cheaper, but this causes severe losses of jobs inside the country. (Drutman, 2015) Policies of opening up borders to immigrants are equally perceived as threats to the American labour market, but also to people's security. The 9/11 in 2001 launched the eternal “War on Terror”, but also a fear reaction to globalisation, as Americans saw the US becoming an easy target for foreign terror due to its openness and economic prosperity. (Haass, 2001)

Both situations put forward the problem of the US's preoccupation with international affairs without putting too much effort into improving the domestic situation. Walter Russel Mead explains this in his article *The Jacksonian Revolt*, where he characterises Donald Trump's voters as Jacksonians, based on the first populist US president, Andrew Jackson: “*Many Jacksonians came to believe that the American establishment was no longer reliably patriotic*”. (Mead, 2017) *The Jacksonians*

consider that the American political elites have been providing benefits to domestic corporations and people all over the world, but forgetting about them. They believe that these politicians have not been putting “America First”, which helps explain Donald Trump’s success in the latest elections.

In China, however, the governing ideals have been deeply changed throughout the times. Deng Xiaoping was a pioneer in promoting his own perception of how China should develop. In order to assure the subsistence of the Communist regime, which was at risk at the time due to China’s slow development and political suppression essential for closed-doors growth, Deng put forward a “reform and opening up” strategy. Promoting the new ideals of globalisation as part of the Grand Strategy of development, Chinese leadership moulded a new relationship with the outside world, which turned out to be the right way for China. From then on, the two concepts – opening up and growth – have been linked. As people started enjoying this shared development, people started having more money, more health, and more education. The country developed, society developed and, as a result, it reassured the leadership’s legitimacy.



This subchapter, 4.1., aimed to answer the question of “*what happened internally that could explain this attitude reversal?*”. In order to answer this, the three concepts have been linked: globalisation, development, and political legitimacy. Through this analysis we reached two conclusions:

(1) In China, economic reforms and opening up to globalisation have produced development, which, in turn, reinforced the Chinese leadership’s legitimacy. Hence, it is not in the interest of China to destroy the system that *works for them*. The levels of legitimacy provided by the economic development provide the proof that the leadership is (at least generally) in line with the values of society, thus its foreign policy decisions should be reflective of society’s identity. People believe the leadership is taking the right steps as their decisions led to a better country. This assessment is important for the analysis, as it can explain the perspectives of globalisation as based on the ideas and values of the Chinese society, which will be helpful in analysing the interactions of China in the international order through the realist constructivist approach.

(2) For much of the people in the US, globalisation became the synonym of threat: both to their economy and their security. This occurred because the country stagnated economically and was left with severe social inequalities. The lower-income communities lost trust in the political establishment which they perceive as not pursuing their best interests but those of the major corporations, which crave globalisation in order to expand. Thus, the American people chose a leadership that promised to emphasise its own country's development and bring back prosperity and power to the people, reflecting their interests and patriotic views. This is a necessary conclusion to aid the analysis of the reversal of attitude toward globalisation by the realist constructivist, as it shows the society's rejection of certain values portrayed by the political establishment. The latest elections of the US were a representation of the people's decision to break away from the direction the leadership was taking the country and how they perceive globalisation should be: based on their own values and ideas, with "*America First*".

4.2. External variables

This subchapter aims to answer the question of “*What happened externally that could explain this attitude reversal?*”. To answer this question, I will be analysing both countries engagement with globalisation and the international order and identify which factors could have contributed to their current foreign policy decisions.

Through the analysis, I plan to conclude that both countries have had a key role in each other’s engagement with the international order, as China developed and adapted to the US-led global system, harvesting the benefits of globalisation. Now, having reached an international status of the second largest economy in the world, China has been channelling its new-found influence and power to incorporate its own values into the international order and demanding proper representation – which diffuses American dominance. Besides the perceived threat of the emerging economies to the American power, the US has been suffering with loss of legitimacy in its leadership of the international order due to its recent failures in achieving foreign policy goals.

Overall, globalisation has provided different external stimulus to China and the US: to the former, it pushed forward its influence and development in the international order; to the latter, it undermined its leadership position.

4.2.1. *Initial mutual benefits*

“Hide one’s capabilities and bide one’s time” was Deng Xiaoping’s slogan for the Chinese foreign policy based in maintaining a low profile and focusing on domestic stability and growth, which was in place for over 20 years. (Nien-Chung, 2016, p. 83) Indeed, during the reform period, China apparently did not strive to become a big player in the international community and did not seem to have any ambition to challenge the global order in place, dominated by the Western ideals.

This American-led global order, in place since the end of WWII, had four 4 basic guiding principles, as suggested by Ikenberry (1996): economic openness, cooperation in managing the political-economic order of the West, support domestic social-economic stability, and constitutionalism – anchored in international institutional

mechanisms. (Ikenberry G. , 1996, pp. 84-87) These were guaranteed by the institutions and policies advanced by the US and its allies during the initial period of the new international liberal order, with democratic, open and inclusive qualities, providing a “*transnational, pluralistic, reciprocal, legitimate*” character to international cooperation in politics (Ikenberry G. , 1996, p. 89) – which differs it from an *American empire*, concept defended by some authors (Foster & McChesney, 2004). The institutions and policies promoted by the liberal world order reflected the national interests of the US, as the notion of ‘national security’ evolved into the inclusion of not only physical security, but also economic, social and moral security. (Ikenberry G. , 2011, p. 176)

Institutions like the IMF, WTO, World Bank, UN, and economic partnerships with several countries as well as global governance meetings like the G7 and G20 managed to provide the US with a hegemonic status, letting it continue to guide the liberal international order it created after WWII. (Ikenberry G. , 2010, p. 512)

The more continuous interactions of China with the international organizations and the globalisation process started as it regained its seat in the UN, which had been occupied until 1971 by the Republic of China, or Taiwan. From then on, it joined the UN affiliated organizations, the World Bank, IMF and further ahead started negotiations to enter WTO. (Nathan & Scobell, 2016, p. 328) In the 25 years that followed the opening up initiative, China was a beneficiary of the Bretton Woods System, and received technical assistance services, training activities and financial aid of over 40 billion USD to fund about 300 investment projects in the country from the World Bank. The IMF offered also great support to China’s development, by providing technical assistance cooperation and policy consultations. (Nicolas, 2016, pp. 7-8) In order to become fully integrated, China joined the non-proliferation regime, which showed a different take on China’s previous foreign policy, as Mao disagreed with any limitations on a State’s military capacities as it “*aimed only to consolidate the two superpowers’ hegemony*”. (Nathan & Scobell, 2016, p. 328)

In 2001, when the country joined the WTO, China complied with the strict requirements of the international organization, and pushed for further economic reforms in order to meet those demands. The Asian country then became one of the primary beneficiaries of WTO, and has supported the organization’s activities in multilateral

agreements, dispute settlement mechanisms and accepting its decisions. (Nicolas, 2016, p. 8)

In this period, China had grown immensely, largely because of how it managed to incorporate itself into the international community:

China's largely export-based growth strategy allowed the country to clear a systematic surplus from the balance of its current transactions, which coupled with a surplus in the capital account fuelled principally by a massive influx of foreign investments allowed it to accumulate colossal monetary reserves (Nicolas, 2016, p. 8)

Indeed, foreign trade almost quadrupled from 1978 to 2001, going from 10% to 38% of GDP. (Nathan & Scobell, 2016, p. 315)

The US-led international order, which promotes globalisation, has delivered benefits for both countries: while the US had been able to spread its values and ideas while consolidating its power, China has been enjoying economic stimulus and tools for its development.

Both countries can be interpreted as engaging in a liberal approach, which provided benefits for both. The US created institutions which helped establish their liberal vision of a shared community of values, monitoring the international order with a set of defined rules, while promoting interdependence in order to avoid conflict and promote development. It was a successful achievement and China has engaged as a trading state, increasing its interdependence with the world and, thus, absorbing some of its values. However, the US's actions can also be interpreted by a realist constructivist lenses, as it established the mechanisms by which it could consolidate its power and propagate its own values throughout the international system, creating a world in its own image.

4.2.2. Losses and gains of international legitimacy

The end of the Cold War became a time for American consolidation of power in the international order. Until the 2000's, the US seemed to have transformed into the pinnacle of development and the role model for the world. Its values of democracy and free trade were admired all over the world and many observers at the time marked this phenomenon with major expressions like "The End of History" by Fukuyama, "The Indispensable Nation" by Blumenthal, and the "New American Century", by Kagan and Kristol. (White, 2016)

The US had become the legitimate leader of the international order, which was based in four pillars, as advanced by Hendrickson and Tucker (2004): (1) the fight against Soviet expansionism and conformity with international law; (2) democratic decision-making; (3) neutral moderator, due to its exceptionalism; and (4) success at maintaining peace. (Hendrickson & Tucker, 2004) By this time, the US had two choices in their foreign policy decisions: either chose an Americanist approach and work to sustain its hegemonic status; or adopt a Globalist attitude by focusing on a pragmatic, inclusive world order. (Daalder & Lindsay, 2003)

The 2001 terrorist attack to the World Trade Centre steered the path for the US foreign policy, and George W. Bush expressed it very clearly: "*either you are with us, or you are with the terrorists*". (Hendrickson & Tucker, 2004) Thus, it sought to use its hegemonic status to emphasise American primacy. The US had a rude awakening after the attacks, as it realised that its power posed also a danger to its national security (Daalder & Lindsay, 2003). But so did the rest of the world. The retaliation for the 9/11 attacks started the War on Terror and the invasion of both Afghanistan and Iraq. The international order witnessed what a superpower can do. The four pillars on which the US's legitimacy stood crumbled. The US did not follow the UN's decision, nor did it search for consultations with other countries. (Hendrickson & Tucker, 2004) It created its own "coalition of the willing" (Schifferes, 2003), and disregarded any opposition – it was no longer a neutral moderator. Its intervention in the Middle East severely disrupted the area and created problems that still today have grave repercussions. (White, 2016)

The foreign policy of the US from then on has been falling short on success in several key issues, especially when military force is involved (Walt, 2013). Many of those issues stemmed from the US's intervention in the Middle East. (White, 2016)

The US aimed at creating a democratic, stable political system in Iraq and Afghanistan that could breed a pro-American feeling in the area with the intent of ending Jihadism, the official goal of the War on Terror. As we know, the outcome was not the one they envisioned. (White, 2016) The US attempted to apply its own values in those countries. However, both nations remain failed States and terrorist organizations have evolved inside those countries into more powerful non-state actors that have been causing disruption all over the world.

Still in the Middle-East, the Arab Spring was a moment of hope for the US, whose goal was to empower the movement to spread US's influence in the area. That objective failed as well, especially in countries like Libya and Syria. In Syria, particularly, the situation has escalated into a global issue with several stakeholders. The legality of US's role in the Syrian crisis and its drone attacks have been particularly questioned. (Farrell, 2014)

One success in the Middle East, however, has been the Iranian Nuclear Agreement. Still, the main goal of the US of avoiding Iran's influence expansion in the Middle East has not been achieved. (White, 2016)

Reconciling Russia with the international order and containing its attempt to reconstruct their sphere of influence in Eastern Europe has been another goal that has been left unmet. (White, 2016) The attempt of annexation of Crimea to Russia demonstrated the powerlessness of the US and its allies to engage in any meaningful retaliation. Even though they imposed severe sanctions on Russia, the situation has maintained.

In Asia, the objective of blocking North Korea's nuclear proliferation has failed and has led to the escalation of tensions. Neither George Bush's strong opposition to the North Korean regime, calling it part of the "Axis of Evil", (Lohschelder, 2016) or Barack Obama's strategic patience and UN-backed sanctions had any effect on the nuclear tests North Korea has engaged in (Snyder, 2013). Today, the Korean Peninsula is under severe tensions.

Another foreign policy goal that has not been realised was the containment of China's influence in Asia Pacific. (White, 2016) China's new-found economic dominance caused great imbalances worldwide, but proved to be the right move for China as it now could be more autonomous and increase its influence in global governance. (Nicolas, 2016, p. 8) But for the US, it has been a challenge.

China's most recent surge in its rise is directly related with the global financial crisis in 2008, where the majority of the countries in the front run of economic growth, especially the US, saw themselves in the midst of a great recession. China took the lead in the recovery and witnessed its international influence boost. (Nien-Chung, 2016, p. 82) During this time, the central bank of China engaged in bilateral currency swap agreements, showing a different approach than that of the US: instead of picking and choosing the most reliable countries, China "*focused on the nature of the economic ties that it had with each recipient country when making its decision*" thus not excluding developing countries (Nicolas, 2016, p. 12). This provided China with access to many markets in Latin America, Asia and Africa, and, consequently, to their natural resources, maximizing its investment, but also provided many countries with needed infrastructure and investment, exporting Chinese excess capacity. (Nicolas, 2016, p. 12)

As China's growth started to be noticed and to have considerable weight in the international system, Xi Jinping saw an opportunity to change the motto of Chinese diplomacy. Thus, he highlighted that China should *strive for achievements*. (Nien-Chung, 2016, p. 83)

In the beginning of the XXI century, the foreign policymakers of China agreed that soft power should be an important part of the Grand Strategy of national power, as it would project a less menacing image of Chinese rise. In 2007, President Hu Jintao officialised the policy proclaiming culture as part of China's soft power. China has, since then, engaged in a charm offensive, spreading its culture, literature, language, history and art all over the world through several channels: the "China Year" exhibitions worldwide, the Forbidden City treasures display in London in 2005, Confucius Institutes, Chinese media with improved quality and in several languages, Chinese university worldwide rankings, university exchanges, scholarships to fund Chinese students abroad, among many others. (Nathan & Scobell, 2016, pp. 325-327) These feats have resulted in an improving international reputation, with

China becoming “*increasingly respected and admired globally (particularly outside of the West), as the ‘Beijing Consensus’ poses an alternative model of economic development for emerging-market countries seeking rapid economic growth.*” (Portland, 2016) According to the latest report on soft power, China has indeed climbed up a couple of places in the ranking, reaching the 28th place and being particularly effective in Africa. The US, however, still leads the ranking, even though the authors warn to a possible change this year due to the election of Trump and his infamous policy promises (Portland, 2016).

Today China has a large influence in global order, largely connected with its status as the largest trading power in the world. Besides the intense economic international relations, China has been making its mark in the international system by creating a new international institution, the AIIB, and the initiative Belt and Road that promises to increase connectivity worldwide. The G20 meeting in Hangzhou in 2016 and the Olympic Games in 2008 have also been important marks of the Chinese footprint in the global landscape and to prove China’s ability for leadership. Additionally, China has the largest standing army and has been expanding its military global presence, building its first overseas military base in Djibouti. (Economy, 2017) Chinese leadership has proposed to build partnerships that are based on equality and win-win relations, and has greatly expanded its network of cooperation:

Since the beginning of its partnership diplomacy in 1993, Beijing has extended a global network of bilateral and multilateral cooperation in the form of less formal, issue-specific partnerships with 67 countries and five regional organizations. (Nien-Chung, 2016, p. 88)

Xi Jinping has been intensifying these partnerships lately. As Nien-Chung notes,

“(...) between 2013 and 2014, Beijing has upgraded 11 of its partnerships to ‘comprehensive strategic partnerships’ and eight into ‘all-round friendly and cooperative partnerships’ in order to deepen mutual cooperation on political and military issues.” (Nien-Chung, 2016, p. 88)

This power has been useful to serve China's own national interests, as one of the requirements for diplomatic relations with the country is to respect the One China principle. (MFA, 2016) Since China's rise in the international order, more and more countries have been reinforcing their support for the One China principle, some of them even cutting diplomatic ties with Taiwan. One of the latest examples has been the re-establishment of diplomatic relations between China and São Tomé e Príncipe in December 2016 (MFA, 2016) or the current negotiations with the Vatican in order to reconstruct their ties (Fraze, 2017).

China is now an essential part of international economy and contributes greatly for development, slowly ceasing to be the recipient of aid and gradually has been providing financial aid. The Chinese government, in 2015, provided a 62 billion USD from its reserves for international aid policy. Additionally, in 2010, Chinese loans to Latin America were larger than the combined amount of the ones provided by the World Bank and other US-led institutions. (Nicolas, 2016, p. 13)

The US maintains the status of leader of the international order, but now with a disintegrated basis of legitimacy due to its recent foreign policy issues and failure to create positive outcomes from the externalisation of their values to other countries. China, on the contrary, witnessed its growth and expansion of influence in the international order, which creates the opportunity for putting forward its interests. However, the pursuit of these interests will be a challenge for China, especially as the territorial claims can damage its reputations internationally. Thus, it is engaging in power maximizing and using its power to give legitimacy to its claims.

Through a realist constructivist approach we can see how the US's loss of control over the process of globalisation – the loss of power – has been changing the process itself. Globalisation without the dominance of the US is some other kind of globalisation with different values. Through it, they elevate the society which values its promoting. In this case, China's increased legitimacy in the international order has allowed it to become part of the decision-making process and influence the tide of globalisation with its own views, challenging the US's power.

This leads into the next issue for the US: the challenge of the developing countries, namely China, which will be addressed in the next section.

4.2.3. China's ambitions and US's responses

The global system where China has emerged is an institutionalised one. China's engagement with the American-led international order through globalisation has created changes within the country, absorbing some of its values and ideals. However, while US's liberal internationalism may be difficult to transpose, a rising power such as China has a wide spectrum of strategic options on how to deal with separate institutions of the system. China has been reforming the US's liberal international system, which threatens to diffuse American power over it. This trend has disrupted the US's power over the international system and globalisation, which stays in line with a realist constructivist argument: power is what gives the tools to decide which values to spread. (Ikenberry & Lim, 2017)

If China's interests align with the existing institutions, normally in the economic dimension, such as the WTO, China is expected to *play by the rules*. However, if the institutions do not reflect China's ideas, it can engage in one of two options, which it has been doing: (Ikenberry & Lim, 2017)

(1) Trying to change the institution from inside, by "*altering or containing the pursuit of undesirable rules*". The South China Sea situation, where China disregarded the international legal verdicts, and the demand of higher shares in the IMF and World Bank are examples of this; (Ikenberry & Lim, 2017)

(2) Creating new institutions. This strategy offers an instrument through which "*the rising power uses its authority to build bilateral or multilateral influence*" and challenge the existing institutions, bolstering China's influence over recipient countries. The AIIB is one example, that will be expanded below. (Ikenberry & Lim, 2017)

One of the steps that exemplifies the first option is how China's becoming the flagship for reform in the international institutions' governance in order for them to reflect the new realities of the global economy. This means larger participation of the emerging countries in the decision-making process, China included, as their economies were now a centre part of the international economic system. The IMF was one of the first institutions with whom the emerging countries, led by China, started negotiations in order to increase voting shares held by this group of countries. By 2010, both parts

established an arrangement that would give China the status of the 3rd major stakeholder in IMF, but it faced tremendous obstacles with the US's refusal to ratify the reform. It was eventually implemented in 2015 but China, however, still was behind Japan by 0,1%. (Nicolas, 2016, p. 9) This action can be defended through a liberal lens as China is striving to promote further integration of countries in a liberal system of international institutions which further interdependence among countries. But it can also be seen as China itself striving for power in order to promote its view of globalisation and international order, by adopting a realist constructivist view.

Reflecting the second point is the creation of BRICS New Development Bank, the BRICS Contingency Fund and the Silk Road Fund, the first steps for China's attempt at international institution building. But a more aggressive move was the establishment of the AIIB. (Nicolas, 2016, pp. 9-11) As the first relevant non-US led international institution, the AIIB emerges in a time where developing countries, with China in the lead, initiated a movement to demand a larger representation in the international institutions. After decades of US shaped institutions in the framework of the Bretton Woods, these emerging economies wanted to have a say in the decision-making process, but were barred as the institutions, under US's guidance, rejected to adjust to them (Bob, Harris, Kawai, & Sun, 2015, p. 12). The Chinese institution pushes for the acknowledgement of the country's new global status but also provides a glimpse into its vision of shared benefits of development (Bob, Harris, Kawai, & Sun, 2015, pp. 31-32). A mixed theoretical approach would portray a Chinese attempt at maximization of power to promote its liberal ideal of economic interdependence for the international order.

The US fought this growth of China's influence in the international institutions, with no success. First, US Congress rejected the emerging countries' demand of more shares in Bretton Woods institutions, recapitulating in 2015 (Ren, 2016, p. 2). Secondly, the US government extensively lobbied its allies to not join the AIIB, arguing that the institution would not portray the values of human rights, labour and environmental protection regarded by the international order. An official statement by the White House to The Guardian advanced this view:

“Our position on the AIIB remains clear and consistent. The United States and many major global economies all agree there is a

pressing need to enhance infrastructure investment around the world. We believe any new multilateral institution should incorporate the high standards of the World Bank and the regional development banks. Based on many discussions, we have concerns about whether the AIIB will meet these high standards, particularly related to governance, and environmental and social safeguards ... The international community has a stake in seeing the AIIB complement the existing architecture, and to work effectively alongside the World Bank and Asian Development Bank.” (White House National Security Council, 2015)

These attempts had no real effect and, with the exception of Japan, none of the US's allies followed its advice. (Ren, 2016, p. 4) Through a realist constructivist approach, it shows a nation in danger of losing its influence over the international order. The US's attempts at regaining power by claiming the Chinese values were not in line with the values of the international order, which were put forward by the US itself, can be explained by a realist constructivist perspective. The US leadership is aware of its role as the shaper of the values spread by globalisation, and that the role has been provided by the power and influence it has achieved throughout the years. The US created a system that reflected its liberal views and spread them around the world – but now, with alternatives to its system and values, it poses a threat to its power.

Another field where China is participating in reforms is the international monetary system, challenging the “exorbitant privilege” of the US because of the dollar, as China believes other currencies should have equal relevance. It submitted the request for the yuan to be included in the Special Drawing Rights, which was initially rejected in 2010, but later accepted in 2015. At the same time, China has expressed their will to give the Special Drawing Rights the status of international currency, which is still not a reality. As China gains further relevance in the international field, it could be put back on the negotiation table. Other moves that show the will to reform the monetary system in use were the creation of the Shanghai Pilot FTZ in 2013 and the bilateral currency swap agreements between the People's Bank of China and the European Central Bank and other central banks. (Nicolas, 2016, pp. 9-11) Here the AIIB comes as a useful tool for the endorsement of the RMB, using investment in infrastructure as a boost to its attractiveness:

“By joining AIIB, Singapore and London – both global financial leaders – will strengthen their market positions as centres for RMB-denominated offshore transactions. London intends to be the first RMB clearing house outside Asia, according to the U.K. Chancellor of the Exchequer George Osborne.” (Tang & Kuo, 2015)

In trade, China has also put forward a powerful initiative, the Belt and Road, a project that will involve “a territory equal to 55% of global GDP, 70% of the global population and 75% of its known energy reserves”. (Lehmacher, 2016) In May, the Belt and Road Summit in Beijing will count with the representation of 110 countries with at least 28 national leaders. The American answer to the Belt and Road initiative was the TPP, a FTA that excluded China, which has been recently withdrawn by President Donald Trump. (White, 2017)

Soon, the US understood that there would be larger consequences for its “credibility and influence” if it continued with its rejection of Chinese rise in the international order and deny its reflection on global governance:

“Jack Lew said that the US would lose some of its ability to mould international economic rules if Republicans in Congress did not drop their opposition to reforms of the IMF that would give China and other emerging economies a greater voice in the fund. “Our international credibility and influence are being threatened,” he said. “To preserve our leadership role at the IMF, it is essential that these reforms be approved. The alternative will be a loss of US influence and our ability to shape international norms and practices.”” (Donnan & Dyer, 2015)

Understanding this risk, President Obama adopted a more pragmatic foreign policy, one he advanced in his speech in his Nobel Peace Prize. It balanced the Americanist approach of furthering US interests and leadership with a Globalist view that would integrate a “more pluralist a global power” which would make the American power more diluted. We saw his view in action in a less interventionist US. Crimea and Syria are two examples of how the US under the Obama Administration applied more importance to the diplomatic engagement rather than military – which could be

interpreted as weakness in the international order. Indeed, his approach has generated critiques from the more conservative Americans that “*question his commitment to strong global leadership*”. (Ikenberry J. , 2014)

Simultaneously, President Obama has engaged in several foreign policy manoeuvres that created an improved image of the US as a reconciling power: the Iran Nuclear Deal, the FTA’s such as TPP and TTIP, and the re-establishment of diplomatic relations with Cuba. These actions highly pushed forward the American soft power in the world (Portland, 2016).

The perceived US weakness in the global order by Bush’s overreaction foreign policies and Obama’s less imposing approach, has created a backlash personified by Donald Trump. In his campaign, he promised to “Make America Great Again” by showing that the US does not need allies, cooperation or compromises in order to have its way, wanting to present a strong US with a unilateral foreign policy. He intends to show that the world needs the US more than the US needs the world. (Fukuyama, 2016)

With an emerging China, the US’s resistance had no effect and demonstrated a weak hegemon. A realist constructivist perspective would explain that the US under Barack Obama was willing to adapt to a changing global order, to allow globalisation to acquire other types of values. This put the American supremacy in danger, portraying a decaying influence of the US in the world. The election of Donald Trump means that the US understands how important it is to keep power in order to maintain the American values as primacy in the world, to steer globalisation their way. China, on the other hand, has been able to push forward their own ideals of globalisation by reforming the institutional framework in place and engaging in institution building. This way, China is able to achieve further influence in the process of globalisation, slowly introducing its own values into it.

4.2.4. The reversal

But as much as China has been changing the international system, it has also changed China. Its intense development resulted from engaging in profound interdependence with the global economy, which “*made China more vulnerable to pressures and influences from the outside world*”. (Nathan & Scobell, 2016, p. 314)

These adaptations started from the beginning of the opening up reforms, as Deng allowed the import/export of foreign commodities, foreign investment, FTZ’s, and the acceptance of foreign aid. However, these measures didn’t come with “no strings attached”. They required the creation of new mechanisms to support and regulate foreign economic interactions, launching a reform of laws and regulations, new courts and resolution mechanisms, visa restructuring, among many, effectively changing the core of its institutions. (Nathan & Scobell, 2016, pp. 315- 319)

This process moulded today’s China. In his speech in Davos, Xi Jinping promised to maintain its commitment to globalisation, claiming that “*China will keep its door wide open and not close it*”. The measures he announced included fostering “*an enabling and orderly environment for investment*” which consists of the expansion of “*market access for foreign investors*” the creation of more “*high-standard pilot free trade zones*” consolidating the “*protection of property rights*” and “*level the playing field to make China’s market more transparent and better regulated*”. (Xi, 2017) This speech echoed the US’s message throughout the years, which shows how the ideals and values of the global system created in the image of the US have been shaping China’s attitudes and foreign policy.

Xi further expanded on the measures in which China will maintain its commitment to economic globalisation, by announcing that “*China will vigorously foster an external environment of opening-up for common development*”, meaning that it would engage in further FTA’s and economic partnerships globally, promising that “*China has no intention to boost its trade competitiveness by devaluing the RMB, still less will it launch a currency war*”. (Xi, 2017)

Another important part of Xi’s speech was the following, which will be commented in the next paragraph:

There was a time when China also had doubts about economic globalization, and was not sure whether it should join the World Trade Organization. But we came to the conclusion that integration into the global economy is a historical trend. To grow its economy, China must have the courage to swim in the vast ocean of the global market. If one is always afraid of bracing the storm and exploring the new world, he will sooner or later get drowned in the ocean. Therefore, China took a brave step to embrace the global market. We have had our fair share of choking in the water and encountered whirlpools and choppy waves, but we have learned how to swim in this process. It has proved to be a right strategic choice. (Xi, 2017)

The integration process of China in the international community was, as we've seen, a complex process by which China had to adapt and play by the rules that had been in place, shaping its policies and ideologies accordingly. The quote above, as I mentioned, is from President Xi Jinping in Davos. In his speech, he undoubtedly understands how important globalisation had been to China and how opening up has been an intricate process that not always has been in China's favour. Understanding this phenomenon through the realist constructivist lenses, China had to shape its ideologies to roughly match the ones which were in power: the Western idea of globalisation. In doing that, China itself was moulded into a kind of a hybrid ideology of globalisation with the famous "Chinese characteristics". As it grew and became greater, it engaged in further expansion of its own perception of globalisation that has assimilated its own characteristics. This perception is clearly different from the Western's, and the Chinese leadership understood that it had to develop first in order to be able to be the one establishing the rules. Now that it reached a point where it can, it started pushing for reforms of the international system that would reflect its own interpretations.

Instead, Trump's inaugural speech reflected the exact opposite. He claimed the US needs to put itself first, protect itself to become greater than any nation and lead by example. Trump focused on how the US has been losing out to other countries by not putting American interests first:

For many decades, we've enriched foreign industry at the expense of American industry; Subsidized the armies of other

countries while allowing for the very sad depletion of our military; We've defended other nation's borders while refusing to defend our own; And spent trillions of dollars overseas while America's infrastructure has fallen into disrepair and decay. We've made other countries rich while the wealth, strength, and confidence of our country has disappeared over the horizon. (...) The wealth of our middle class has been ripped from their homes and then redistributed across the entire world. (Trump, 2017)

He criticised how the US has been conducting its foreign policy, by sharing wealth and focusing on cooperation and interdependence that left American interests as secondary. He promised that “*a new vision will govern [their] land*”, by making every decision putting “*America First*”. This, he claimed, should be made by protecting the country, which would “*lead to great prosperity and strength*”. (Trump, 2017)

We can see what the new President of the US thinks about the American position in the world: “*America will start winning again, winning like never before*”. Donald Trump believes the US is losing out to other countries, namely China, who he accused very often during his campaign of “stealing American jobs” and “manipulating currency”. When it comes to the American values and ideologies, Trump also comments on how the US should be the example to follow as it reaches its greatness: “*We do not seek to impose our way of life on anyone, but rather to let it shine as an example for everyone to follow*”. (Trump, 2017)

As a conclusion, Trump summarises exactly what he aims to do: make the US powerful again.

“Together, We Will Make America Strong Again. We Will Make America Wealthy Again. We Will Make America Proud Again. We Will Make America Safe Again. And, Yes, Together, We Will Make America Great Again.” (Trump, 2017)

Trump's rhetoric does not end here, as his foreign policy objectives show. The White House published the list of main issues that the President will be addressing, which includes an “America First Foreign Policy”. This revolves around the idea of promoting

“Peace through strength”, as the world would be “more peaceful and more prosperous with a stronger and more respected America”. (White House, 2017)

As for trade, he retreated from the TPP and is threatening to withdrawal from other FTA’s like NAFTA, which he believed to be unfair for the US. By doing this, he aims to use the US’s power to renegotiate agreements that will give the country more benefits, as the White House website affirms: *“With tough and fair agreements, international trade can be used to grow our economy”*. (White House, 2017)

Trump stars a new rhetoric of US power, which can be explained by a realist constructivist lenses: he believes globalisation should be reflecting the American values, which are being diluted as the international order accommodates new perspectives. Thus, he aims to rebuild the old-fashioned Americanist approach to foreign policy, by using foreign policy for its own benefit in order to regain control of the international order. This does not mean he is turning his back on globalisation, he still believes in engaging with other countries in several areas, as long as it benefits the US. It means the US is turning away from the kind of globalisation that allows for other perspectives to compete with its own: he believes in an Americanisation rather than globalisation.



This subchapter, 4.2., intended to search for the answer to *“what happened externally that could explain this attitude reversal?”*. To formulate the answer, I analysed the engagement of both countries with the international order and what has their relation with globalisation brought to them. Through the analysis, and by including both theories in the interpretation of the results, I concluded the following:

(1) Both countries engaged in liberal strategies: the US launched an institutional liberalist offensive in the international order, promoting interdependence among states through institutions such as WTO and the promotion of FTA’s; China has engaged in these interdependence-promoting initiatives and, in a less involved way, to international regimes, absorbing its values.

(2) By adapting to the international order and its values, China prospered. Simultaneously, the US used the aforementioned institutions to consolidate its power

and put forward its interpretation of globalisation, steering it its way. It ended up “overusing” its power and its foreign policy-decision caused an erosion of its international legitimacy. Furthermore, the US ideas of democratisation failed in many countries.

(3) China’s increased influence in the global order generated the opportunity for it to promote its own interpretation of globalisation, creating an alternative to the existing version and, thus, posing a direct confrontation with the American power. After unsuccessful attempts to frustrate China’s endeavours, the US’s leadership opted for a more pragmatic approach to foreign policy, but it left the country susceptible to loss of power and the appearance of being weak.

(4) Donald Trump is the result of the fear of a weaker US in the international order and a response to a rising China – it does not mean the US is pursuing a different approach to foreign policy: they could be reinforcing the previous approach by readjusting it to reflect an Americanist vision of globalisation.

4.3. Visions

In this subchapter I aim to understand the current visions for globalisation from both countries and how they clash.

For many decades, the US's view of globalisation was based on two key ideas: capitalism, with the notions of free trade and competitiveness, and democracy. These concepts, often idealised as the "American Dream", are the externalisation of the US's values and were the base for the globalisation movement led by the country after WWII. They set the stage for the consolidation of the American hegemon. (Krieger, 2005, p. 28) Thomas Friedman (2000) says: *"Today's era is dominated by American power, American culture, the American dollar and the American navy"*. (Friedman T. L., 2000, p. xviii) For him, there is no globalisation without the American ideals and values: they are two of the same (Krieger, 2005, p. 30). These ideas are viewed by the US as the path to "freedom", viewing itself as the "leader of the free world".

However, in China, globalisation is gaining a new meaning that reflects different ideas, revealing some Sinocentric values shaped by the "China dream", concept put forward by Xi Jinping which has a clear inspiration in the American slogan. China's leadership has initiated a change in Chinese foreign policy based on Xi's vision of globalisation, which should include some Chinese characteristics. Thus, from a low profile, domestic collective leadership approach to international relations that started with Deng Xiaoping, China now has stepped up to a more participatory position in the international order, embracing the leadership role with Xi Jinping as a central figure in the decision-making process. Several foreign affairs issues have reflected these changes, including the South China Sea territorial claims and island building, increased outward FDI, more autonomy and involvement in international issues and in their positions in UN, and the creation of new institutions and initiatives. China's leadership's vision of globalisation is one that has the goal of economic expansion and not as much of absolute leadership or hegemony. They view as a priority the acceptance of economic cooperation with China by other countries, rather than the acceptance of its leadership. (Kaczmarek, 2016)

The globalisation rhetoric by the Chinese leadership is based on a set of slogans such as "mutual respect and win-win cooperation" and "friendship, honesty, mutuality

and accessibility”, concepts that remain unclear but do reflect the Five Principles of Peaceful Coexistence which have characterised the Chinese foreign policy. (Kaczmariski, 2016)

Similarly, China does not aim to put forward an image of hard power, but of “harmonious relations”. Thus, it does not strive to become more militarised, only engaging in military demonstrations of power in order to protect its territorial claims, which explains why it has the largest standing army in the world. (Henderson, Appelbaum, & Ho, 2013, p. 1235) Again, this reflects the non-interventionist approach underlined by the Five Principles of Peaceful Coexistence.

Interventionism, however, has been a part of the US’s perception of its role in the international order and as part of globalisation. The Truman Doctrine, inspired by the ideas of the American diplomat George Kennan, established the foundations for American foreign policy for many years (US Department of State, 2017). Presented as a way to “contain” Soviet expansion, it claimed that *“it must be the policy of the United States to support free people who are resisting attempted subjugation by armed minorities or by outside pressures”* (Beschloss, 2006, p. 194). The US stepped up as the “police of the world” as it pursue the enforcement of its values in order to create a safe and stable international order, creating the modern concept of *Pax Americana* (Kirchwey, 1917), which was reinforced with the creation of NATO as a system of joint defence, proving to be more than a military alliance by serving the purpose of deterring Soviet expansion while having a *“broader political function, binding the democracies together and reinforcing political community”* (Ikenberry G. , 1996, p. 88). President Kennedy exposed the American sense of responsibility in 1961:

“Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and the success of liberty.” (JFK, 1961)

These ideas are exposed in more recent events such as the “War on Terror” initiative and the interventions in the Middle East. Thus, globalisation is also understood as a guideline to achieve “freedom”, and intervention is needed when a country is not fully open to it.

The American view of globalisation also includes the promotion of worldwide development and modernisation through specific universal sets of regulations that are based on democracy and capitalism, with limited flexibility in its application. (Krieger, 2005, p. 30) This means that for the US there is a certain path that all nations should follow, and that path is set by the US: which is why globalisation serves the purpose of externalising its values.

By setting up the Bretton Woods Institutions, based on rule of law, the US allowed for multilateral cooperation under its supervision: it has veto power in all of them. These institutions are another way of externalising its values and ideas and promoting their integration in the globalisation process. But China has showed a preference for bilateral relations, which tend to be more flexible without a determined set of rules. One example of this preference is the discussions on the South China Sea issue, where China refused to go through the institutional channels of conflict resolution and opted for bilateral discussions with the parties involved. However, through the process of integration in the international order, China had to engage with multilateral cooperation and its firm regulations. Chinese leadership, thus, opts for an approach that balances both and is reflected in the recent foreign policy initiatives: the AIIB, a multilateral institution inspired by the Bretton Woods Institutions; and the Belt and Road initiative, a unilateral mechanism of cooperation. (Kaczmarek, 2016)

Another slogan often promoted by Chinese leadership is the “community of destiny” which shows the primacy of regional relations to the Chinese foreign policy, often related to the idea of an “Asia dream”, which removes the frequently perceived “threatening” tone of the “China dream” concept. “Common development” has also an important role in the Chinese rhetoric of globalisation, hinting to the idea that a developed China will benefit its neighbours. (Kaczmarek, 2016)

However, the broad scope of the Belt and Road initiative and the AIIB reveal the desire for globalisation, and not just regionalisation. The exclusion of the US and Japan, nonetheless, could hint to the intention of creating an alternative view of globalisation to the one put forward by the US-led institutions. The Belt and Road initiative is a unilateral project of expansion of Chinese spheres of cooperation, but is still today a vague undertaking with no absolute rules or regulations, which suggests China “*is ready*

to 'serve as an example' and encourage other states to follow this example, without the need to define common rules for all". (Kaczmarek, 2016, p. 19)

The allusion by the Chinese leadership to a “new type of international relations” reveals the intentions of Beijing to challenge the current ideals of globalisation by bringing to the table its own values. It does not mean that it aims to substitute them, as it is including Western members in the AIIB and Belt and Road initiative, but rather complement them. (Kaczmarek, 2016) In the AIIB, China has made it clear that it does not seek to have veto power, and that the President can be a national of any regional country, even though today China is the largest shareholder and the President is Chinese. (Chow, 2016, p. 14) However, the rhetoric reveals an openness in its globalisation perceptions as to not be majorly a Chinese-value-based movement. The international order's suspicion of the Chinese leadership has made China aware of the need to be flexible and adaptable. One anecdote told by Chow (2016) tells the interaction of Jin Liqun, the President of the AIIB, with the UN Security Council, as he tried to convince them of the intentions for best behaviour in international lending by the new bank. The Security Council, unconvinced, answered with “I am not going to buy the cake you have cooked” to what Jin answered by saying “You are always welcome into the kitchen to help with the baking”. (Chow, 2016, p. 14)

The new Chinese institutions complement to the current international institution framework is more obvious in the interaction with underdeveloped countries: it poses the opportunity for investment without the “strings attached” from the Western order. (Kaczmarek, 2016) This reflects the Chinese model of development, which removes the focus on the democratic process. (Henderson, Appelbaum, & Ho, 2013, p. 1234)

Overall, the American view of globalisation is based on (1) externalisation of American values such as democracy and capitalism, (2) interventionism, (3) universal path to development, (4) universal rule of law, and (5) supervised multilateralism. China's vision for globalisation, on the other hand, includes the following ideas: (1) “Asia dream”, (2) flexible and adaptable rules that are applied depending on the circumstances; (3) a balance between multilateral and bilateral relations; (4) shared development and joint benefits; (5) economic expansion rather than absolute leadership, with no focus on militarisation or interventionism; and (6) alternative to the liberal international model, not focusing on democracy or value universality.

A liberal perspective of the Chinese leadership's vision would see China engaging in and promoting economic interdependence in order to create a stable trade environment to provide shared prosperity and stability to the international system. In order to achieve these goals, they engaged in institution building, which provides platforms for multilateral cooperation and connectivity. The Chinese leadership shows a deep interest in the latter concept, which the Belt and Road initiative is all about. China's pursuit of global connectivity sustains the argument of a liberal approach. The apparent hesitation to take a leadership role and the alleged openness to share that role also can be seen as liberalist claims: China appears to want to sustain the liberal international order, only with adjustments that reflect its own interpretation of it.

However, those minor adjustments can equally be understood from a realist constructivist approach, which would balance the previous perspective. China's vision of globalisation puts forward a set of ideas based on its own interpretation of the values it has been exposed to and absorbed. The leadership knows that the way to promote this interpretation is through maximising its power. Even though China has showed hesitation to assume a leading position, it is now actively searching for it, and the institutional framework it is creating can also be perceived as instruments for achieving global influence. Its values of flexibility, non-intervention and non-necessity of democracy are a direct challenge to the ones put forward by the US in its globalisation movement.

From a liberal perspective, the US's vision of globalisation has been the epitome of liberalism: a world of shared values, shared economies, shared politics, managed by institutions, which provided stability, cooperation and development. But a realist constructivist would see the US its power and influence to maintain the primacy of those specific sets of values in the international order. Globalisation has functioned as a base for the establishment of the US's hegemonic power, and by being the hegemonic power, they establish what form globalisation should take. By taking one away, you inherently take the other. China's vision is different and undermines the US's values and, thus, its power. US does not want to be changed, it wants to cause change, so globalisation should occur from inside the country to the outside, not the other way around. China has allowed for change inside due to globalisation, even with some resistance. Now, it wants to generate an alternative globalisation – not only a westernisation or Americanisation.

4.4. Sub-conclusion

This sub-conclusion will reflect and summarize the results from the above analysis through the theoretical lenses of liberalism and realist constructivism.

The international order, as it has been for the last six decades, it is a clear representation of the American ideas, serving to consolidate its international influence. Due to loss of legitimacy, both domestically and internationally, the US has experienced what can be perceived as a U-turn in its foreign policy with the election of Donald Trump, by the apparent rejection of globalisation. However, that can be contested as an actual continuation of the traditional Americanist stance in the international order: that globalisation should be a reflection of American values. President Barack Obama, after the trauma of President Bush's interventionism, had to soften the American status in international order, which created the image of a less imposing US. But at home, the American people felt like the *losers* of globalisation, and due to the aggravation of inequalities inside the country and the loss of legitimacy of the political establishment, the lower-income communities sought a leader that could represent their views and bring back their *American Dream*. This meant a type of globalisation that brings benefits to them: which also meant that the US had to maintain leadership in order to steer globalisation their way, and not give way for other interpretations that would not benefit them.

China's leadership, on the other hand, has gained a powerful source of legitimacy from engaging in reforms and opening up to globalisation, and thus internalising some of the values put forward by the international order. Chinese leadership sees benefits from globalisation, but it also observes a good moment for "tweaking" the globalisation movement in a way that can bring further advantages for the country, reflecting its own interpretation of the liberal international order. As Barkin (2003) tells us, even if one country complies with the international values, it does not mean it has the same interpretation of them. (Barkin, 2003, p. 337) China has a different identity from the US, thus, it will inherently interpret the liberal values in a diverse way.

These different perceptions of globalisation are now competing for their place in the international order, as China rapidly becomes a stakeholder in the global community, challenging the established US-led ideals.

The opinion that the US is in decline and China is rising as the new global power is shared by many, and even the director of the IMF, Christine Lagarde, affirmed recently “(...) *I wouldn't be surprised if one of these days the IMF was headquartered in Beijing for instance*” (Rastello, 2014). This power transition is reflected in both countries behaviour toward globalisation: while China has reached a point in its development where it can shape international order reflecting its own ideas, the US has been seeing its creation fade away as emerging countries have more say in the global community. “Make America Great Again” is a slogan that reflects exactly that sense of nostalgia of the hegemonic international order where the US was the sole superpower, thriving and being the example to follow. Donald Trump puts forward the idea that the way to achieve it again is to gain power, and thus tries to show authority by renegotiating its deals, increasing military, and make power demonstrations as the latest bombings in Afghanistan and Syria.

On the other hand, this power transition can also be seen in China's behaviour. With its institution building and economic initiatives, by speaking up in favour of globalisation and being the voice of the underrepresented emerging countries. China believes that further interdependency in trade is the answer for building better partnerships across the world and increasing its influence in other countries. It clearly demonstrates that it has absorbed some of the liberal values from the international order. But it has given them other interpretations, which are present in these new foreign policy initiatives, such as the Belt and Road and the AIIB. These interpretations, such as a preference for bilateral negotiations, non-intervention or not having the requirement for democracy clearly defy the American model of globalisation, by providing a powerful and attractive alternative, especially for the developing world.

Due to the size of its economy and market, but also due to control of the State, China has a large advantage when engaging in international trade: it has been growing its domestic market with relative restrictions for foreign investors, but has been expanding worldwide. China is creating interdependence, but kept itself a bit of autonomy. Engaging in international trade has brought China to the centre of the global order, thus, it pursues its objectives of maximizing power, undermining the legitimacy and relevance of the US-led institutions and, therefore, the US idealisation of globalisation, in order to promote its own.

China has been moulding and adjusting to the international order: that was the key for its fast growth. The US, however, has rejected any adaptations to a new global order by electing a President who is willing to disengage from globalisation in order to prove the necessity, and thus power, of the US in the international order. This rejection to adapt to an emerging China originated avoidable tensions, which often emerge when a rising economy is not accommodated in the international order: *“When an emerging power grows but is not embraced or even welcomed by the established powers and the global institutions they dominate, the former trying to create new institutions becomes something inevitable”* (Xiao, 2016, p. 4).

China does not seem to aim for hegemony or absolute leadership, it opts for a smart-power strategy, which can be dangerous for the US’s position in the world:

David slew Goliath because Goliath’s superior power resources led him to pursue an inferior strategy, which in turn led to his defeat and death. A smart-power narrative for the twenty-first century is not about maximizing power or preserving hegemony. It is about finding ways to combine resources in successful strategies in the new context of power diffusion and “the rise of the rest.” (Nye, 2010, p. 12)

Finally, an important danger to the US’s hegemonic power in the international order is its belief that its values are universally applicable. However, as we’ve seen, they have often failed to be adequate in several countries. *“In the emerging world of ethnic conflict and civilizational clash, Western belief in the universality of Western culture suffers three problems: it is false; it is immoral; and it is dangerous.”* (Huntington S. P., 1996) Indeed, China understands this and, through its foreign policy approach, it has created space for other cultures and ideas to prosper.

5. Discussion

The above analysis provides a look into the rhetoric of the leadership of both countries with brief reflections on their actual actions. But there is an important point of discussion for this analysis, and that is the differences between what leaders *say* and what they *do*. This will be done in order to understand whether the reversal of attitudes toward globalisation has been *actually* translating into action.

In this case, we are talking about the Chinese leader Xi Jinping and the American President Donald Trump. Their rhetoric has been already analysed in this project, but there is space for discussion on whether those words have been reflected in actions.

The disparities between rhetoric and action

Xi Jinping has been promoting globalisation, putting China in the spotlight of that phenomenon. But can China be a champion of globalisation in actual policies? I have already talked about the initiatives of the Belt and Road and establishment of the AIIB, which demonstrates the will from Beijing to engage in globalisation. However, what about letting globalisation engage with China? I have mentioned how China changed and adapted to the international order. I also mentioned that it kept much of its political and economic autonomy – which is one of the aspects it aims to promote in its own interpretation of globalisation. Some authors question the possibility of China as an actual promoter of globalisation due to the fragility of its development model:

But what is the China model today? With the range of environmental, public health, and other social challenges China now confronts as a result of its development model, is it a model worth emulating? Can the world afford a global leader that does not speak out on human rights abuses elsewhere and has a long and storied record of failing to acknowledge and address its own? (Economy, 2017)

An important objection to the Chinese rhetoric as the flagship of globalisation is the sluggish involvement in international affairs. This opposition also claims that

globalisation includes several key elements that cannot be removed, such as freedom of information and open markets. China is notably not promoting these factors, as it continues to censor internet and textbooks while controlling media. Simultaneously, capital is heavily controlled and markets are either limited or completely closed to foreign investors. Indeed, Economy claims that “*globalization with Chinese characteristics is not globalization at all*”. (Economy, 2017)

President Donald Trump’s rhetoric, on the other hand, has been confusing and many times contradictory. He has appeared to deliver some of his promises in his campaign: he has effectively withdrawn from the TPP and has started renegotiations on the NAFTA deal. But, as the New York Times reports, the Trump Administration has announced it would use the TPP agreement as a starting point for its own deals, and even the “worst trade deal ever”, NAFTA, has only been subjected to small changes. (Appelbaum, 2017)

Similarly, his rhetoric about China has not been translated into action, and recently it has changed: they are no longer pursuing to name China as a currency manipulator. (Appelbaum, 2017) His claims about NATO no longer being useful have equally been backtracked after tensions with Russia grew. (Ackerman, 2017) It seems that much of his anti-globalisation rhetoric has not been effectively converted into actual achievements. Still, he has taken a much harder stance with North Korea (McKirdy, 2017), claiming that the strategic patience was finished (CNBC, 2017), and has increased bombings in the Middle East (Cooper & Mashal, 2017). It seems that he is trying to deliver on his rhetoric of portraying a stronger US.

Donald Trump did also sign an executive order to start the building of the infamous wall between the US and Mexico. However, the US has a complex system of legislation and executive actions approval, which the Congress has total control over. Which means that Trump can only put forward his ideas with the Congressional approval. Here, again, Trump’s rhetoric had no real effect.

Here we can conclude that rhetoric is used to portray a specific image of the direction the leadership wants to be seen as taking, but it’s debatable whether it has actual reflections in their engagements in policy-making. It can be argued that the rhetoric serves both to pursue legitimacy domestically and reputation internationally.

Through their speeches, the leaders have created a picture of what path their countries want to take, based on what the people they represent expect them to do, in order to facilitate their engagement inside and outside the countries. It is, however, too early to say that, effectively, the reversal in their actions will not follow their rhetoric.

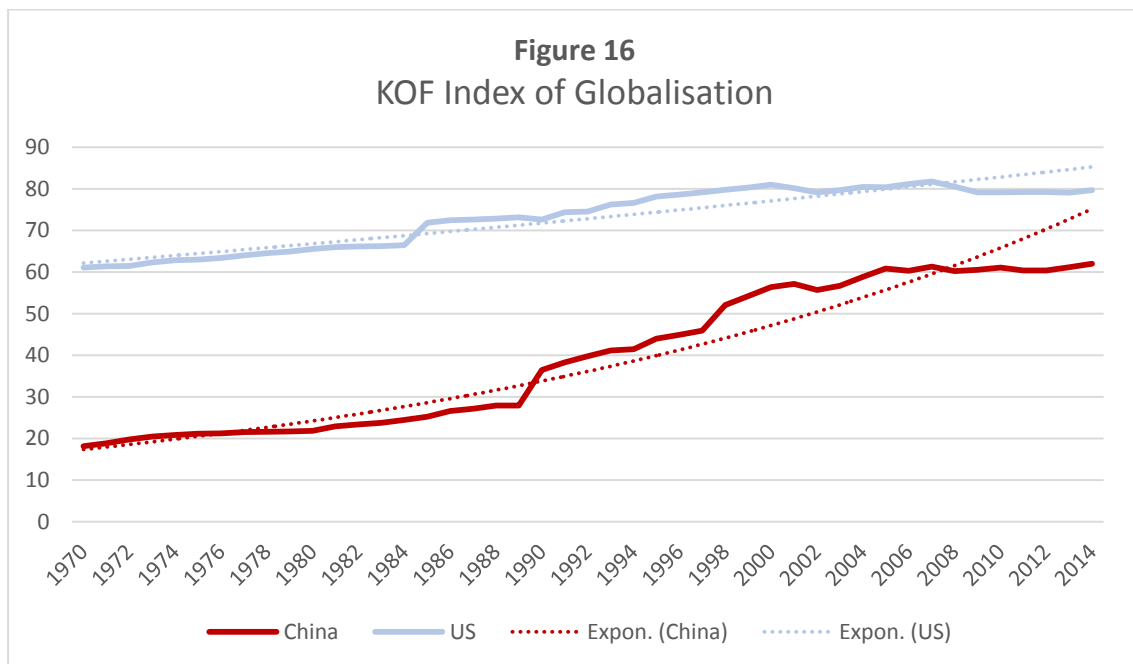
Additionally, there is an important point to underline, which is the general direction each country has been taking, considering their starting points.

As we've seen, the US has been putting forward, for decades, a pro-globalisation rhetoric, prompting every country in the world to join the capitalist, democracy-based liberal international order. It has equally put forward FTA's and international institutions that regulate globalisation. As the nation that created the current globalisation movement in its own image, it should be the example of what it preaches. However, whether this has been the case is debatable. Looking at the economic dimension of globalisation, the US has had a general tendency toward protectionism, as observed in a study by Credit Suisse (O'Sullivan & Subramanian, 2015). This study concluded that the US has indeed had more protectionist measures, by far, than any country between 1990-2013. China, on the other hand, registered less than 150 measures, compared to the almost 450 from the US. The retreat from TPP could be a sign of the direction the US is taking.

China has a completely different starting point. It was a closed country with little interactions with the international order, other than the necessary ones. It has only been allowed for the global system to become an active element in their domestic policies in the last three decades. Still, it has approached it cautiously, "*crossing the river by touching the stones*", as Deng Xiaoping famously said. It could not become the most open country in the world in such a short time. However, compared to forty years ago, China is, indeed, more open to globalisation.

According to the KOF Index of globalisation, in Figure 16, we can see how China has been increasingly globalised. However, the figure doesn't show signs of the reversal from the US. The US has always maintained high levels, as it is expected. But if we look at the ranking, we can see that the US has never been among the top 10 globalised countries since the 1970's. More importantly, it has been slowly descending

in the ranking, and in 2014 (the latest data) it ranked 27th. China was in 71st place, having climbed 2 spots in the ranking. (Dreher, 2006)



Data from ETH Zürich (Dreher, 2006)

This discussion looks at another dimension of the problem formulation. The deliberate use of the word *apparent* when choosing the problem formulations is justified by the conclusions of this discussion. In fact, the reversal may just be *apparent*: their intentions in their speeches don't seem to generate practical actions. However, they do create an image of what the people they represent desire from their policies, which provides relevance to this thesis. Looking at the direction they have been taking, it can be argued that the reversal is indeed happening, but it has not been sudden or radical. It has been a process throughout decades. However, Donald Trump's election, if it delivers on the promises of the campaign, may accelerate the process. Still, it's too early to claim that a reversal has in fact happened.

6. Conclusion

Throughout this thesis I sought out to answer the question: *“Why has there been an apparent reversal of roles between China and the US in the international order when it comes to their attitudes toward globalisation?”*

In order to achieve this, I started the analysis which consisted of three sub-questions that provided a basis for the answer of the problem formulation.

By answering the question of *“What happened internally that could explain this attitude reversal?”*, I concluded that (1) Chinese leadership has reinforced its legitimacy by providing economic development through the “opening up” policies and that (2) the US has been suffering from severe inequalities due to its prolonged economic stagnation, which in turn created a loss of legitimacy from the political establishment and a fear reaction to globalisation.

The next question *“What happened externally that could explain this attitude reversal?”* produced a more complex set of conclusions, that resulted from an analysis of the two countries engagement with the international order. I determined that the liberal international order has provided international benefits for both countries: the US managed to consolidate its leadership and China managed to grow and boost its influence. However, the US’s legitimacy slowly crumbled as it pursued a more unilateral and imposing foreign policy, giving way to a sober China to expand in the international order. Unable to prevent this expansion, the US opted for a more pragmatic foreign policy, which allowed for the integration of China and other emerging countries to have more say in the decision-making process – thus diffusing the American power. As a reaction to the possibility of a non-hegemonic US, the “Make America Great Again” rhetoric was success, putting Donald Trump in charge of the White House and, thus, pursuing a power-display strategy.

“What are their visions of globalisation and how are they challenging each other?” I established that both China and the US have liberal views of the international order, but they interpret them differently, which means that its operationalisation differs. I also conclude that China’s rise in the international order has allowed for it to promote its vision of globalisation by both reforming the institutions that don’t align with its

views and creating alternative initiatives and institutions – which has been perceived as a threat to the US.

Finally, in the discussion I address the disparities between rhetoric and action, to justify the use of the word “*apparent*” in the problem formulation. Here I settled that the reality could be that both leaders will be pursuing a rhetoric that is aimed at consolidating their legitimacy both domestically and internationally. However, their actions don’t always align with what they say and have reflected that perhaps their policies will not match completely their rhetoric. Nonetheless, there appears to be a slow process of reversal if we look at the bigger picture throughout the years. These conclusions allow me to retain my problem formulations with the “*apparent*” dimension. Furthermore, since the rhetoric reversal is recent, it is too early to conclude that their actions will not follow their words.

To put it simply, the final answer to the problem formulation that explains the *apparent* reversal of attitudes toward globalisation would be: because the operationalisation of globalisation is at risk of changing, which is perceived as good for China and bad for the US, as both have different perceptions of globalisation. These perceptions are both based on liberal values, but as countries have different identities and experiences, the values are reflected and operated in diverse ways. The two interpretations cannot exist in parallel due to the nature of globalisation itself: a global phenomenon. Two versions of globalisation mean no globalisation. Thus, power is the defining factor of which version will be delivered.

As a concluding thought, I would like to reflect on the idea of a change in the international order. China and the US, under the Obama Administration, had been creating a relationship of mutual adaptation which was promoting fruitful discussions on several issues where the opinions of each country diverged. A change is inevitable – no country can indefinitely sustain the amount of power and responsibility the US has had for the past six decades. Similarly, a country with the dimensions of China should not be expected to exist unnoticed. This change should not be viewed as either good or bad. It should be embraced and dealt through cooperation as to steer it in a path that does not generate negative consequences for the international order. One step in the right direction was the announcement of the World Bank and the AIIB joint projects (Fleming, 2016).

Donald Trump strong and heavily militarised approach to foreign relations has been proven to fail many times throughout history (Walt, 2013; Freeman, 2010; Mandelbaum, 1999). Military action can display a lot of strength, but in practical terms it has achieved very little. Diplomacy has had primacy in reaching good results. The way to a peaceful change is cooperation and constructive dialogues about their different views and interpretations in order to construct an international order that can reflect every nation and bring everyone together – not through demonstrations of power with the sole pursuit of national interests that drive every nation apart.

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