

4-18-2019

## **China's hegemonic intentions and trajectory: Will it opt for benevolent, coercive, or Dutch-style hegemony?**

Lukas K. Danner

Felix E. Martin

Follow this and additional works at: [https://digitalcommons.fiu.edu/pir\\_fac](https://digitalcommons.fiu.edu/pir_fac)



Part of the [Political Science Commons](#)

---

This work is brought to you for free and open access by FIU Digital Commons. It has been accepted for inclusion in Department of Politics & International Relations by an authorized administrator of FIU Digital Commons. For more information, please contact [dcc@fiu.edu](mailto:dcc@fiu.edu).

# China's hegemonic intentions and trajectory: Will it opt for benevolent, coercive, or Dutch-style hegemony?

Lukas K. Danner<sup>1,2</sup>  | Félix E. Martín<sup>3</sup> 

<sup>1</sup>Miami-Florida Jean Monnet Center of Excellence, Steven J. Green School of International and Public Affairs, Florida International University, Miami, Florida

<sup>2</sup>East Asia Security Centre, Bond University, Gold Coast, Queensland, Australia

<sup>3</sup>Department of Politics and International Relations, Steven J. Green School of International and Public Affairs, Florida International University, Miami, Florida

## Correspondence

Lukas K. Danner, Miami-Florida Jean Monnet Center of Excellence, Steven J. Green School of International and Public Affairs, Florida International University, 11200 Southwest Eighth Street, Miami, FL 33199, USA.

Email: ldanner@fiu.edu

## Abstract

China's unprecedented economic growth led some scholars to conclude that it will replace the United States as the future global hegemon. However, China's intentions in exercising future global leadership are yet unknown and difficult to extrapolate from its often contradictory behaviour. A preliminary overview of China's island building in the South China Sea reveals its potentially coercive intentions. This inference is consistent with the analysis of those who prognosticate China's violent rise. Conversely and simultaneously, China's participation in peacekeeping operations and its global investments evince its benevolent hegemonic intentions, which are congruent with the argument of those who predict China's peaceful hegemonic ascent. Confronted with these divergent tendencies in China's recent international relations, and assuming its continued rise, it is, thus, essential to examine China's strategic intentions and how these may ultimately project its violent or peaceful hegemonic rise. This article argues that the "Third Way" or "Dutch-style" hegemony is highly instructive in this context and, thus, should be examined and added to the existing debate on China's rise as either a benevolent or coercive hegemon. We

This is an open access article under the terms of the Creative Commons Attribution License, which permits use, distribution and reproduction in any medium, provided the original work is properly cited.

© 2019 The Authors. *Asia and the Pacific Policy Studies* published by Crawford School of Public Policy of the Australian National University and John Wiley and Sons Australia, Ltd.

argue that Dutch-style hegemony may be the most viable way for China to proceed in its global hegemonic ascendancy.

#### KEYWORDS

benevolent hegemon, China, coercive hegemon, Dutch-style hegemon, intentions

## 1 | INTRODUCTION

Since Deng Xiaoping came to power in 1978 and opened China's economy throughout the 1980s and 1990s, China's rise is the cause of great concern for its proximate neighbours as well as for the other global great powers. Unprecedented double-digit economic growth propelled China's domestic market to second place in the world, scarcely trailing the United States. As Deng Xiaoping promoted China's economic opening, he promulgated several mottos intended to motivate, characterise, and underscore China's peaceful foreign policy during these decades of uninterrupted economic ascendancy. Among Deng's foreign policy characterisations, the pronouncements most often discussed and dissected by policy analysts and academics alike were “[韬光养晦] taoguang yanghui (i.e., concealing its capacities and biding its time), [善于守拙] shanyu shuozhuo (good at maintaining a low profile), and [决不当头] juebu dangtou (never claiming leadership)” (Shen, 2012, p. 7; quoted from Gong, Li, & Gao, 1998).

Deng's influential style became a tradition among successive Chinese presidents. From Jiang Zemin to Hu Jintao, and now to Xi Jinping, China continued to nurture and promulgate the image of a *status quo* power, with entirely peaceful intentions. In line with this unfolding tradition in China's foreign policy and grand strategy, President Xi advanced more security concepts, emphasising a foreign policy strategy that stresses China's peaceful intentions.<sup>1</sup> Accordingly, President Xi referred to China's approach as “common, comprehensive, cooperative and sustainable,” calling on the rest of the world “to align their diverse security interests within a common project; avoiding monopolising security affairs; working towards security without exclusive alliances; and tackling the full range of traditional and nontraditional threats” (Holslag, 2014).

China abided by Deng's dictums and standards in foreign policy throughout most of its process of expansion and ascendancy in the latter part of the 20th century (Pilling, 2010). However, in the early 2000s, Chinese policy advisor, Zheng Bijian, articulated and promoted the “Peaceful Rise” strategy. The policy-maker explained and publicised the grand strategy departure in a 2005 *Foreign Affairs* article titled, “China's ‘Peaceful Rise’ to Great-Power Status”

---

This article analyses China's strategic intentions and how these may ultimately project its violent or peaceful hegemonic rise. It maintains that, although it is difficult to define accurately China's future hegemonic role and general systemic behaviour, a “Third Hegemonic Way” or Dutch-style hegemony is highly instructive in this context and, thus, should be examined and added to the existing debate on China's peaceful or violent rise as either a benevolent or potentially coercive hegemon. We argue that the Dutch-style hegemony may be the most viable way for China to proceed in its global hegemonic ascendancy in a future world order.

<sup>1</sup>The concept of “grand strategy” refers to a long-term, higher level strategy of a given country, usually a great power or superpower, that orchestrates the use of its diplomacy, economic policy, and military strategy to advance its position within the world order, the country's national interest, and fundamental security. Examples of grand strategies include isolationism, imperialism, off-shore balancing, or selective engagement.

(State Council of the People's Republic of China, 2005, 2011; Zheng, 2005). Essentially, the article's purpose was to reassure China's neighbours and the West. It tried to allay their fears and concerns about China's rise by underscoring its peaceful intentions. It argued that China was a *status quo* state and posed no threat to them or world peace. The timing of the article was critically important, too. It appeared at a time when many American academics and pundits had started to compare China's rise with Germany's in the late 19th century or Napoleonic France's in the late 18th century and early 19th century. Instead of dispelling fear and distrust, the title of the article, its message, and the timing of its publication perversely reinforced the concerns of those state actors that subscribed to the notion of the "China threat" perception (Goldstein, 2003).

The Great Global Recession of 2008 started in the West, specifically in the United States. It affected these countries negatively while leaving China generally unscathed. Consequently, China's self-perception turned from viewing itself as *merely rising* to the actual accomplishment of *its rise* to great power status. China's role as a global financial lender and an influential buyer of national bonds, helping to rescue highly developed Western states from a more severe financial crisis, bolstered its great power perception. Accordingly, Chinese decision-makers and a vast segment of its population recognised that the time of China's global leadership had finally arrived while that of the United States was rapidly ebbing and ending (Nye, 2011).

According to multiple economic indicators, China's rise continues, albeit at a slower pace in the last 5 years. Hence, barring unforeseen catastrophic events, this trend places China on course to surpass the United States as the future global economic hegemon, much like the United States exceeded the British Empire in the early 1900s. Assuming China's economic, political, and military rise continues, ultimately leading it to challenge the U.S. global hegemony, the critical theoretical question remains: What kind of global hegemon will China be? Such a query allows us to enter the ongoing discussion on its ascent and examine the nature and type of China's hegemonic intentions and trajectory critically.

China may transition into one out of three possible hegemonic paths: First, based on benevolent leadership intentions such as norm-and-rule-creating and norm-and-rule-imposing, it may transition into a free-trade-encouraging, and free-trade-sustaining hegemon, much like Britain and the United States behaved, respectively, during the *Pax Britannica* and *Pax Americana*.<sup>2</sup> Second, based on coercive and assertive intentions of domination, China may transition into an aggressive, coercive, and dominating hegemon such as Napoleonic France or Imperial Japan.<sup>3</sup>

Third, China may transition into a Dutch-style hegemonic path.<sup>4</sup> This alternative evinces a hegemon mainly motivated by neutral, self-interested, state-centric economic intentions. In this sense, it may even lack significant interest in the management of the international political system. Also, this third trajectory exhibits characteristics of a self-controlled and *status-quo*-driven hegemon, focused mostly on profiting from international trade and finance. Accordingly, this type of global leader acts in pursuit of purely nationalistic goals, self-interests, and economic self-aggrandisement like the Netherlands in the 16th and 17th centuries.<sup>5</sup> In this third pathway,

<sup>2</sup>For a more in-depth discussion of benevolent and coercive hegemons, see Martín (2006, p. 36f.).

<sup>3</sup>See, for example, Snidal (1985, p. 579ff.) or Ikenberry (1989, p. 378ff.), for further reading on how different hegemonic styles may be perceived as "coercive" or "benevolent."

<sup>4</sup>For analysis and background information, see Israel (2002) and North and Thomas (1973, pp. 132–145).

<sup>5</sup>This hegemonic path is consistent with the notion and characteristics of China's neo-mercantilist practices and projection discussed by Ziegler and Menon (2014, pp. 19–23), Holslag (2006, pp. 135–138), and Holslag (2016, pp. 8–9).

China may be a global hegemon only to the extent that, based on self-interests, it may be able, willing, and committed to sustain and conform to prevailing norms, principles, and rules of the international neoliberal economic order in place since 1947.

Provided that China continues its ascent, this article explores which global hegemonic trajectory it will take among those three discussed above. Depending on which path (or combination of paths), we examine what kind of global hegemon China would become and why it is vital for the security and stability of the evolving global order? This study will, first, establish our working definitions of hegemony and the three attendant hegemonic trajectories that are central to this article succinctly: that is, benevolent hegemonic leadership; coercive hegemonic domination; and Dutch-style, order-conforming hegemonic governance.<sup>6</sup> Second, we contextualise historically the theoretical foundation that underpins the central questions of this article. In this part, we advance our working definition of hegemony and the notions of hegemonic trajectories. These concepts will help to frame the analysis of China's interests and intentions as a rising and potential global hegemon. Third, we examine the three heuristic hegemonic trajectories in practice and establish their differences. Fourth, we succinctly provide some historical background and analyse recent developments in China's international affairs. Based on select cases, we attempt to identify strong clues about the range of China's interests and intentions. This methodological explanation will help us to elucidate why China may opt for a power-transition trajectory through one or a combination of the three hegemonic pathways discussed above. Relatedly, this will ultimately determine China's global hegemonic type. Sections 5, 6, and 7 analyse China's intentions about each of the hegemonic heuristic types. The final section summarises the findings of China's future as a global hegemonic player.

## 2 | HEGEMONY AND HEGEMONIC LEADERSHIP

By “hegemony,” we mean international leadership, particularly in the sphere of global political economy. Accordingly, we differentiate hegemony from notions of empire, imperialism, unipolarity, or a sort of world government. Instead, we reserve the concept fundamentally to define a kind of global political-economic order under the leadership of one great power or hegemon, that is, a systemic player who reaches hegemonic status through the possession of significant relative power—both in terms of tangible and intangible resources—and, thus, is able and willing to employ it to promote and maintain a type of hegemony. In turn, one or a combination of political processes, ranging from outright dominance to benevolent guidance, and rule-conforming governance, promote hegemonic leadership. These three leadership approaches will become clearer once we discuss in a stylised manner below the origin and evolution of these concepts from antiquity to contemporary theoretical perspectives.

The conceptual origin of “hegemon” and “hegemony” dates back to Ancient Greece, where these conceptions referred to different situations such as when a prominent actor played the leading role in a voluntary military alliance among reciprocally consenting city-states. Further, it signified a situation when a city-state became an imperial power through the accumulation of overwhelming capabilities and political leadership. Finally, the notion of hegemony suggests a guiding and governing principle. In this sense, a hegemon is an international leader that promotes sociopolitical and cultural ideas. Notwithstanding ancient conceptual roots, the

---

<sup>6</sup>Whereas the Dutch-style or “Third Way” hegemonic trajectory is an original contribution of the authors, Erpul (2019) coined originally the “order-conforming” notion.

publication of Antonio Gramsci's extracts of his prison writings in the 1950s enhanced the theoretical dimension and application of notions of hegemon and hegemony significantly.<sup>7</sup>

The literature on hegemony and hegemonic leadership resurfaced and became prominent in the study of international political economy in the early 1970s. The publication of Charles P. Kindleberger's *The World in Depression, 1929–1939* (1973) renewed theoretical interest on the conception of international leadership as a stabilising element in the global economy. This idea fused with the notion hegemony in the 1970s and 1980s. Kindleberger's book is a study of the causes of the Great Depression of 1929. The book's central thesis posits the absence of international economic leadership caused economic and political chaos in Europe. This outcome resulted from the U.S.'s reluctance to lead and manage the global world economy during the interwar period. Despite its paramount power, the U.S. disinclination to lead coincided with Britain and other great European powers' weakness, exhaustion from a costly world war, and inability—even if still willing—to lead the political-economic global order at the end of the Great War in 1918 (Kindleberger, 1973).

Several events set the international political-economic order of the 1970s and 1980s in absolute turmoil.<sup>8</sup> On August 13, 1971, economic shocks hit during the presidency of Richard Nixon. Also, in the early 1970s, the United States was increasingly perceived to be in economic decline—mainly due to the cost of its ongoing war in Vietnam. Furthermore, the 1973 and 1979 major oil crises—caused by OPEC Arab members' oil embargo against the United States and the West and OPEC's oil price hikes, respectively—contributed to the aforementioned turmoil. These political-economic events rendered the most central theoretical perspectives of the time such as classical realism, neorealism, and international political liberalism, inadequate. Their foci on security, use of force, and conflict of interests, on the one hand, and liberal democracy, neoliberal economic practices, and harmony of interests, on the other hand, failed to capture theoretically speaking the complexity of the international political-economic dynamics of the period.

General scholarly dissatisfaction with these theoretical perspectives led to alternative positions such as hegemonic stability theory (HST) and the International Economic Regime Perspective. These newer theories in the 1980s brought together realist and liberal assumptions and explanations to elucidate a rapidly developing and highly complex international political-economic situation that proved extremely challenging for (and partly beyond) any of the leading International Relations theoretical approaches of the time: Realism and International Liberalism.

Robert Gilpin, following on the intellectual footsteps of Kindleberger, became one the major proponents of HST. He affirmed that Stephen Krasner and him, “have both argued that the hegemon created a liberal international economy primarily to promote its interests and its political/security interests in particular” (Gilpin, 2001, p. 99). Nonetheless, Krasner distanced their position from Kindleberger's more cosmopolitan liberal vision of HST by asserting that “the Krasner/Gilpin state-centric version (...) requires a dominant power with interest in a liberal world economy and a willingness to expend economic and political resources to achieve and maintain that goal” (Gilpin, 2001, p. 99).

Further, Gilpin elaborated that HST posits “that there can be no liberal international economy unless there is a leader that uses its resources and influence to establish and manage an international economy based on free trade, monetary stability, and freedom of capital

<sup>7</sup>This paragraph draws on the work by Fontana (2006, pp. 23–26).

<sup>8</sup>For historical background on these political-economic events and the collapse of the Bretton Woods system, see Frieden (2006, pp. 339–351 and 363–372).

movement” (Gilpin, 2001, p. 99f.). He closes this argument, stating something critically important for our discussion and analysis regarding hegemonic intentions and trajectories. He affirms that HST postulates that “a leader must also encourage other states to obey the rules and regimes governing international economic activities” (Gilpin, 2001, 99 f.). Gilpin opens the door to the possibility of a hegemon leading an international political-economic order by, first, sheer imposition and domination (if need be by outright coercion) and, second, by gentle, persuasion, encouragement, and guidance (if need be via positive incentives and benevolent manipulation). This aimed at pushing other states in the system to follow the rules and adhere to acceptable behaviour.

Different from Kindleberger, Krasner, and Gilpin’s reasonings, Robert Keohane’s neoinstitutionalist regime theory maintained that hegemony alone was insufficient to promote cooperation and sustain a global political-economic order. In its place, Keohane (1984) suggested that institutions, such as international economic regimes, are necessary to facilitate the efficient operation of the international political-economic order.<sup>9</sup> This second theoretical perspective in the 1980s suggests that international regimes promote global guidance and governance from pure, national self-interests. This aspect is essential for our discussion and argument. This angle may indicate one of the three hegemonic paths that can offer strong clues about China’s hegemonic interests, intentions, and trajectory in the future. For example, assuming that China would want to become a global hegemon, it may have no recourse but to accept the existing international economic order and work within it for the foreseeable future. Notwithstanding, there are strong indications of China’s future leadership in the global economic order. In this sense, China’s recent efforts to build the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative may be harbingers of its purpose to establish a regional economic order that may be expandable to global scale.<sup>10</sup>

To decipher and elucidate China’s future and the course of its potential global hegemony, we envision three possible hegemonic heuristic trajectories. These hinge on the notion that “hegemony” is congruent with the worldview and national interest of a leading great power in the international system. Consequently, through the use of sheer soft and hard powers, the hegemon advances its interests by promoting a specific sociopolitical, economic, and security order within the international system. We define these collectively as hegemony. In turn, this may manifest in various styles and degrees of authoritativeness and rule making along a continuum. This spectrum may range from benevolent to coercive hegemony, with the purpose to govern interactions among states within the international system. Depending on which aspects the hegemon emphasises, then the result will be one (or a combination thereof) of the three possible hegemonic paths: benevolent-leadership, coercive-domination, or order-conforming governance a la Dutch-style or third hegemonic way.

### 3 | HEGEMONIC TRAJECTORIES IN PRACTICE

On the basis of the theoretical and conceptual discussion above, we would envision China taking on the leadership in significant issue areas and regions—much like the British Empire did from 1846 up until the outbreak of the First World War in 1914 or the United States from roughly the time when it entered the Second World War on the side of the Allies (Gilpin,

<sup>9</sup>For an analysis of these ideas, see Gilpin (2001, p. 84).

<sup>10</sup>See, for example, Abi-Habib (2018) or Horowitz (2019).

1975; Kindleberger, 1973; Krasner, 1976). The three global hegemony scenarios must be adjusted to incorporate Chinese national characteristics and style. This consideration is a crucial dimension as the literature is based fundamentally on the European and North American hegemonic cases such as the *Pax Britannica* and the *Pax Americana*. To be sure, the world never encountered a truly, full-blown Asian global hegemon. The closest instance was Japan's near-hegemony in the 1930s and the 1980s.

In practice, we envision three possible, heuristic hegemonic scenarios. First, it is China's unchallenged hegemony in an international liberal order with overwhelmingly benevolent intentions. In this scenario, China assumes the leadership position from the United States. From this position, China actively engages in the promotion and management of "an international economy based on free trade, monetary stability, and freedom of capital movement" (Gilpin, 2001, p. 99f.). This function would evolve in the existing political-economic system, where China would emphasise, perhaps, less liberal democracy and respect for individual initiative and human rights in states participating in an international neoliberal economic order. Nevertheless, in this scenario, China would be vigorously involved and accepted on the international stage, without violent resistance from other great powers. The process would mimic either the U.S. or British global hegemonic models. This scenario is the peaceful rise of China described by such scholars as Ikenberry (2013) or He (2007), and in more nuanced analyses, the collection of essays in Ross and Tunsjø (2017) are highly instructive. Consistent with this line of reasoning, Yan (2011) is enlightening. He also argues in this study about the notion of a benevolent Chinese global hegemony or "[b]enevolent government' [as] a policy for both domestic and foreign affairs" as a viable future possibility (Yan, 2011, p. 167).

Second, China takes over forcefully from the U.S. international leadership and establishes itself as a potentially coercive hegemon by utter domination of the global political-economic system. In this situation, China would reorganise, reconstruct, and support a global order reflecting its own preferred set of values, norms, and rules in the economic, political, and security realms. To that end, China would display and implement coercive and dominating intentions, even to the extent of using degrees of external violence if need be. By attempting to impose its will on the rest of the world, China would behave similarly to the way previous coercive, revisionist great powers did in yesteryears. It would be equivalent to the cases discussed by Goldstein (2003) and Mearsheimer (2006) in the contexts of Napoleonic France between 1803 and 1815, Wilhelmine Germany between 1890 and 1918, and Imperial Japan, particularly between the late 1920s to its defeat in the Second World War in 1946.

The third heuristic hegemonic scenario projects China to assume peacefully and gradually international leadership from the United States. To that end, China will promote trade, perhaps in a newly designed international trading system that may exclude political and military global projections. In this context, China will display neutral and significantly less ideological international tendencies. It will reflect more purely pecuniary, self-interest in profit maximisation. Correspondingly, in this hypothesised global milieu, China will avoid using coercive threats or any form of military statecraft. This third hegemonic trajectory is radically different from the second benevolent trajectory. In the latter, China engages keenly and actively in the provision, promotion, maintenance, and advancement of the global political-economic order. In the third scenario, however, China portrays a passively reinforcing, order-conforming actor of the political-economic system. In this sense, China is a significant actor motivated primarily by financial concerns and national self-interests. Accordingly, the active maintenance and advancement of the international political-economic order are secondary to China's ability to rip selfish benefits from the smooth operation of the system. The historical exemplar of this



third hegemonic model is the Dutch global hegemonic model of the 16th and 17th centuries. This historical referent aligns coherently with a future world order, as described, for example, by Zakaria (2013), in which “economics trumps politics.”

In the following sections, this article examines historical trends that may reveal similarities and differences consistent with the three heuristic hegemonic trajectories expounded above. This analytical exercise may help us expose and explain the present and future trends and paths of a possible Chinese global hegemony in the 21st century. From this perspective, we will examine, first, signs of China's peaceful rise by focusing on its participation in the global environmental dialogue, as well as in some United Nations (UN) peacekeeping missions (PKMs), and systemic financial and investment efforts. Second, we will look for clues in China's foreign policies and behaviour that may raise concerns about its possible violent and forceful rise. From this vantage point, we will concentrate on China's island-building efforts and its absolute disregard for other nations' claims in the South China Sea and the emerging Sino-Russian Entente. A third historical trend of interest to the argument and analysis of this study is China's effort to establish institutions such the AIIB that provides a vital forum for economic and financial Chinese influence throughout the region and beyond and its increasing interest in the exploitation of the Arctic. The latter are all instances of the trajectory consistent with the Dutch global, commercial hegemony (Table 1).

## 4 | HISTORICAL BACKGROUND

China held the preeminent position of East Asian regional hegemon for almost two millennia before it suffered a severe decline during its last imperial era, the Great Qing dynasty, which the Manchus led under foreign rule. The outbreak of the First Opium War in 1839 provoked the slow demise of China's influence over East Asia, ultimately leading to the end of its regional hegemony. Also, the result of several costly defeats in war and the imposition of the infamous “unequal” treaties led to the progressive semicolonisation of China's eastern seaboard territories by the British Empire, France, Germany, Russia, Japan, the United States, Portugal, Italy, Belgium, and Austria-Hungary. These developments marked the beginning of the “Century of Humiliation,” which roughly ended after the Second World War in 1945.

China's recent rise (or “*re*-rise” considering the Chinese regional dominance during 18 out of the last 20 centuries) began in the late 1970s, particularly with Deng Xiaoping's accession to power in the People's Republic of China (PRC) in 1978. The (*re*-)ascending process would confirm China's central and rightful place among great powers in the world due to its unique

**TABLE 1** Possible future trajectories of China as potential global hegemon

Intentional model	Historic precedent	Recent trend
“Peaceful Rise of China”/benevolent hegemony	British Empire United States	Global Environment UN Peacekeeping
“Violent Rise of China”/coercive hegemony	Napoleonic France Wilhelmine Germany Imperial Japan	Island building Russia–China Entente
“Third Way”/Dutch-style hegemony	The Netherlands	AIIB China in the Arctic

Abbreviation: AIIB, Asian Infrastructure Investment Bank.

size and power in East Asia and its reputation as a regional hegemon. Subsequently, we must emphasise that China underwent a double-digit annual growth cycle throughout the 1980s, 1990s, and much of the early 2000s. Deng Xiaoping had foreseen the eventual (*re*-)ascent of his country and had keenly called for a strategy of “keeping a low profile” and “biding one’s time.” Concomitantly, beginning in the late 1990s and the early 2000s, China’s grand strategy of “Peaceful Rise,” later “Peaceful Development” (henceforth referred to only as PD), was articulated and implemented by China’s high-ranking decision-makers, especially by Zheng Bijian, policy advisor and Chair of the China Reform Forum.<sup>11</sup> The new geostrategic trajectory of China was confirmed with two white papers in 2005 and 2011, respectively, and by Zheng’s publication in the September–October 2005 issue in of *Foreign Affairs* of his exceedingly important foreign policy pronouncement, “China’s ‘Peaceful Rise’ to Great-Power Status” (Zheng, 2005). The grand strategic policy articulated in this publication set the course for China’s ascent to great power status through the pursuit of economic development as its central goal. The publication prompted the U.S. and Asian-Pacific neighbours to grow increasingly concerned about China’s potential threat. That is, they feared China becoming a coercive power that would ultimately challenge the *status quo* in this strategically important region in Asia. Many voices in the West viewed China on a power-expansion trajectory similar to that carried out by the late 19th century and early 20th century Germany (Goldstein, 2003; Mearsheimer, 2006). As we know now, Germany’s rise turned sour after Bismarck’s retirement and Emperor Wilhelm took charge, and Great Britain naturally challenged it immediately. Moreover, logically, the PRC is determined to avoid this experience by all means necessary. Thus, arguably, the existence of the PD grand strategy and China’s avoidance of the Wilhelminian (post-Bismarckian) path may be only, perhaps, subterfuges to allay the West’s and Japan’s concerns and fears.

The 2008 Great Global Recession marks a critical historical juncture where Deng’s strategy to “keep a low profile” and “bide one’s time” saw its result. The financial crisis began in the United States, still the current global hegemon, and originally did not affect China as much as it did the U. S. and other Western states. Quite the opposite, China was in a strong financial position to buy up many technologically important companies and to support several Western states, such as Italy, Spain, and Greece, through the purchase and financial backing of their government bonds. At that time, when China became an international lender, the national perception in the PRC changed from “biding one’s time” to “now the time has come”—coincident with rising nationalism. It seemed to Chinese decision-makers that China was finally gaining ground over the United States at a much faster pace than before the 2008 financial crisis. The crisis left the United States weaker, sputtering, suffering financially, and losing ground to China steadily. It encouraged Chinese decision-makers, who probably surmised that China was finally gaining ground over the United States at a fast pace. That is mainly the case among Chinese decision-makers and other analysts who customarily subscribe to a zero-sum-game perspective when interpreting world events and developments. At this juncture, China became more assertive and increasingly proactive in pursuing its PD grand strategy (Economy, 2012). Accordingly, China engaged in this quest, without changing its core priorities and only adjusting mildly how it pursues its grand strategic objectives.

Simultaneous to China’s more aggressive pursuit of its PD grand strategy, however, internal unrest has increased, particularly from minorities. Also, the economy started to falter, reducing double-digit growth to single digit. For example, the result of the possible trade war with the United States, China’s economic growth, measured by GDP, decreased to just over 6.5%

<sup>11</sup>The change from “Peaceful Rise” to “Peaceful Development” was mainly due to the less threatening perception of “development” compared with “rise.”

(Yao, 2016). This rate of growth is still relatively high in comparison with the Western nations' economic performance. For China, however, this reduced rate of economic growth means that it is barely able to create additional jobs and lift more people out of abject poverty (BBC News, 2016; Trading Economics, 2016a, b, c, d).

Sustained economic growth is critically necessary for China to continue its robust development. If internal strife keeps China busy, then it may be unable to concentrate additional energy and resources on becoming a paramount actor on the international stage to project its power outward—regionally and globally. Moreover, if China's economy continues to falter and stagnate into a recession, then it may resemble the Japan of the 1980s. At the time, experts projected Japan to replace the United States as the next global economic hegemon. Poor economic performance reversed Japan's ascendancy. It could happen to China, too (Powell, 2016; Samuelson, 2015).

Nevertheless, although this study also acknowledges this possible scenario about China's economic future, it will bracket it out for the sake of argument. Thus, we assume that China will recover from the slower speed of growth of its economy over the last several years and will continue to grow. If that is the case, then China's economic recovery will purportedly coincide with a potentially more isolationist United States under President Trump and an increasingly divided Europe. The convergence of these conditions will provide China with ample space to exert global hegemony.

As we focus on other aspects of China's foreign policy and intentions, we must return to the original question of this study, that is, judging by China's intentions, what type of hegemon will it become? This article maintains that Chinese purposeful behaviour since 2008 is quite puzzling. On the one hand, China acts assertively and aggressively in the South China Sea and the East China Sea. This behaviour is consistent with the coercive hegemon type.

On the other hand, China's participation in UN PKMs and global investments are consistent with the peaceful, *status-quo*-oriented hegemon type. The analysis of these two tendencies will help to elucidate the future course of a potential Chinese hegemony. In this sense, the study concerns itself with the following auxiliary queries: Will China rise peacefully? Will it be a violent ascent while it exhibits dominating, intimidating, and coercive intentions? Alternatively, in addition to the two scenarios mentioned above, is there a third possibility?

## 5 | CHINA'S INTENTIONS AND THE BENEVOLENT HEGEMON TYPE

### 5.1 | Model Case 1: Global environmental policy as a form of benevolent hegemony

Although China is known for neglecting its national environment in favour of economic development, it has made the topic of air pollution—along with the related problem of urban traffic—a top priority of its national policy agenda during the past decade. There is necessarily an element of self-interest at work here, as there is mounting internal pressures on the Chinese government to improve air quality. As such, China has become exponentially more open to contributing to the health of the global environment as a consequence of this national effort.

As China often prides itself to be the voice of the “Third World,” it claims to be at the forefront of several less developed countries' (LDCs) claims for greater leniency from global environmental regulations. Thus, it argues that LDCs should be allowed to have higher CO<sub>2</sub>

emissions for the next several decades. China's premise is that since the West had enjoyed open and unregulated development, speaking from an environmental angle, for much of the 19th and 20th centuries, it is only fair to accord peripheral countries some degree of ecological flexibility. In recent years, notwithstanding, China has softened its initial stance and has become a leader in renewable energies, such as solar energy and wind power (Li, 2016).

As mentioned above, in the last decade—more or less coinciding with preparations for the 2008 Beijing Olympics—China changed its stance on global, transnational matters related to environmental pollution, primarily CO<sub>2</sub> emissions. It changed so radically that even Erik Solheim, the Executive Director of the United Nations Environment Program, praised China's new willingness. He affirmed that “China's (...) fight against climate change was exemplary. He added that he appreciated China's proactive efforts to promote the [Paris Agreement] and the country's leading role in global environment management” (Li, 2016). Solheim even went as far as to declare that, “China is now the main driver of this agenda” (Li, 2016).

Before the most recent G20 summit in Buenos Aires, Argentina in November 2018, China, and the United States ratified the Paris Climate Agreement in September 2016 during the G20 meeting in China. During this meeting, U.S. President Obama and Chinese President Xi formally approved the agreement, which went into effect on November 4, 2016, and “President Xi [Jinping] vowed to ‘unwaveringly pursue sustainable development’” (Phillips, Harvey, & Yuhas, 2016).

Insofar, given its support for and spearheading of the effort to reduce global warming and environmental pollution, China demonstrates its new willingness to cooperate with other major powers within the existing system of global governance such as the UN. Essentially, the reversal of its stance regarding the concerted effort to preserve the environment is a significant departure for China. Most observers and analysts of Chinese foreign policy never thought possible that China would place such a high priority on this issue rather than on its customary emphasis on economic performance and development. The fact that China changed its stance to coincide with a position mainly promoted and supported by the West is indicative of China's ability and willingness to adapt to the existing liberal global economic and political orders, as Ikenberry (2013) often argues.

## 5.2 | Model Case 2: UN PKMs as a form of benevolent hegemony

Similar to China's reversal and readjustment of its global environmental policy, its participation in and support of UN PKMs is another significant departure in its foreign policy projection. As mentioned above, China endured the “Century of Humiliation” from 1839 to 1945, including semicolonial control by the West and Japan of many seaboard parts of its territory. As a result, China's Republican-Nationalist and Communist governments, respectively, placed a high premium and a firm emphasis on sovereignty in the Law of Nations. Consequently, its focus on principles of noninterference and nonintervention into the internal affairs of other states.

Again, speaking on behalf of former colonies and LDCs, China decried colonialism, and, more generally, foreign interference in the internal affairs of any country. Even more importantly, however, China condemned vehemently foreign powers' disregard for national borders. Naturally, international law had changed in the 20th century to soften China's understanding of sovereignty. Generally speaking, though, this was the “Golden Rule” before 1945. The end of the Second World War brought about a change in the inviolability of the

sovereignty principle to allow space for the protection of ethnic groups in a foreign country and prevent the risk of genocide. In this vein, China viewed with greater acceptance of international involvement in internal problems when ethnic groups were at risk of genocidal crimes. This change about the protection of ethnic groups was fundamental in the development of the principle of “Responsibility to Protect.” As a result of this transformation in international law, the importance and sanctity of borders in international relations became secondary to protecting individual human rights. The principle of “Responsibility to Protect” was central in the modification of China’s position regarding the implementation of the UN PKMs.

According to China’s former stance on sovereignty and noninterference into the internal affairs of nation-states, UN PKMs were one instance of foreign powers meddling in the internal affairs of a given country. Insofar, this was the case; China did not agree with the concept of PKMs and, therefore, did not participate in these missions. However, influenced by the principle of “Responsibility to Protect,” the PRC underwent a substantial change regarding PKMs in the 1990s and 2000s. China altered its outlook on PKMs slowly but continuously from extreme opposition to neutrality about other nations’ participation with civilian delegates and to direct military engagement. Among the five permanent members of the UN Security Council with veto power, China is by far the member that commits and sends more troops to PKMs (Fung, 2016).

The previous discussion provides evidence strongly suggesting that China has experienced a remarkable transformation in its foreign policy projection. That is, China appears to have shifted its position from being wholly opposed to the UN PKMs to become increasingly an advocate and leader of these PKMs worldwide. Such a foreign policy departure is another indication, along Ikenberry’s argument, suggesting that China may be willing and capable to adjusting and adapting to the liberal global order—though, naturally, there may be an element of self-interest involved, as the People’s Liberation Army gains valuable practical experience from these missions. As such, this supports the view of those who think that China could take over or assume the leadership of the international liberal order from the United States at a time if and when the United States appears to be unable, materially speaking, and politically and principally unwilling to provide peacekeeping functions.

## **6 | CHINA’S INTENTIONS AND THE COERCIVE HEGEMON TYPE**

### **6.1 | Model Case 1: Island building in the South China Sea as a form of Coercive hegemony**

China continued to pursue through 2018 an aggressive strategy to expand and maintain a foothold in the South China Sea. It claimed rocks, islets, and archipelagos in this body of water to enlarge its maritime territory and reach deep into Southeast Asia, close to the Malacca Strait. China achieved this objective at the expense of several Southeast Asian states who also claim jurisprudence in this area. These are Vietnam, the Philippines, Malaysia, Brunei, and Taiwan. These states’ claims clash with China’s in the area that the Chinese refer to as the “Nine-Dash-Line.”

China bases its territorial claim on historical maps, albeit they are not entirely conclusive. A 2016 verdict by an International Tribunal based in The Hague ruled negatively against China: In

a case where the Philippines filed a complaint against Chinese conduct disregarding its maritime borders, the verdict ruled against China and in favour of the Philippines. China, of course, ignored and disavowed the ruling, as well as making clear that the tribunal did not have jurisdiction over the matter (Phillips, Holmes, & Bowcott, 2016).

China has gone beyond publicly announcing its territorial claim. Instead, it has actively started to produce real and tangible facts by engaging in the process of “island building.” The construction process begins by China taking an islet, which sometimes is not larger than a rock, and transferring building materials via ship to create helipads, harbours, and airstrips. Some have compared these artificial islands with sort of China’s stationary aircraft carriers. China wants to send a loud and clear signal to regional neighbours and the rest of the world, particularly to other great powers. It wants to underscore its maritime territorial claims, with absolute and full vigour and unwavering resolve. Hence, rather than leaving unperturbed uninhabited and partially submerged islands, rocks, and islets, without any physical signs of territorial claim and sovereignty, China builds this new-aged military bases. These are all projections of China’s geostrategic reach.

China’s fortification drive and island-building program in the South China Sea is consistent with revisionist and coercive policies. It deliberately revises borders. This trend is reminiscent of the violent rising by other great powers in history. France, Germany, and Imperial Japan in the 18th and 20th centuries, respectively, pursued such territorial expansion and aggressive practice. This aggressive territorial expansion constitutes the type of evidence that many analysts will cease on to conclude that China is on a collision course with other great powers and neighbours. The policy will lead to diplomatic and possibly military conflict over these territories. In this sense, it will be a harbinger of China’s violent rise.

## **6.2 | Model Case 2: The emerging Sino-Russian Entente as a form of coercive hegemony**

At the end of the Chinese Revolution in 1949, the PRC and the Soviet Union became close allies. Chairman Mao Zedong and Premier Josef Stalin formally instituted this political, ideological, and military alliance by negotiating and signing the Treaty of Moscow in 1950. At this juncture, the Soviet Union was the senior partner whereas the newly established PRC was the junior member of the alliance. China was still recovering from the Japanese occupation and protracted civil war.

A decade after the signing of the Moscow Treaty, it became evident that political interests and ideology were not sufficiently strong to keep these two actors together in an alliance. Thus, from 1960 onward, the Sino-Soviet split became increasingly evident and pronounced, even including a 7-month undeclared military border conflict in 1969 that exacerbated further the Sino-Soviet split. The tense rivalry and differences between these two communist actors ultimately led to a *de facto* end to the alliance in 1979.

At this point, China’s tendency to side with the West and the United States became more evident, too. It led to the official opening of relations with the United States in the same year. Already several years prior, in 1972, unofficial diplomatic ties under President Nixon and Secretary of State Kissinger opened the door to China. Renewed relations led to China’s gradual embrace of the market economy. This decision was fundamental in China’s development and economic success from the early 1980s to approximately 2014.

Interestingly, though, China has grown closer to Russia more recently.<sup>12</sup> We identify two interconnected examples to highlight and underscore better the recent Chinese and Russian connection: First, it is China's tacit support for Russia's annexation of Crimean, and, second, the treaty on energy cooperation negotiated and signed by China and Russia concomitantly to the annexation of Crimea and the escalation of the Eastern Ukraine war in 2014.

First, China's reaction to the Russian annexation of Crimea was mute (Ministry of Foreign Affairs of the People's Republic of China, 2014). We must emphasise that before 2005, the PRC would have severely condemned and sternly opposed Russia. Russian annexation of Crimea was anathema to China's fundamental principles and priorities (Sun, 2015). On the one hand, it was a violation of sovereignty and the noninterference in the internal affairs of another country. On the other hand, the annexation challenged China directly on two additional fronts: First, its zealous commitment to defend its territory against aggression and, second, its commitment to protect minorities within Chinese borders. Notwithstanding, China remained uncharacteristically distant and quiet.

Second, the media outlets reported the energy treaty with Russia as the deepening of the Sino-Russian relationship amid the Eastern Ukrainian crisis and Western sanctions against Russia. It was also a Russian carrot extended to China for its allegiance, tacit political support of the Crimea annexation, and the significant Chinese financial package. This agreement was crucial for Russian prowess at a juncture when it was simultaneously fighting an undeclared war in Eastern Ukraine and escalating its military involvement in the Syrian civil war to protect the government of its political ally, President Bashar al-Assad. In exchange for its advanced hefty financial package, Russia agreed to sell oil and natural gas at rates considerably lower than current market prices.<sup>13</sup>

It is plausible to argue here that the PRC agreed to the terms of the 2014 energy agreement on two grounds. First, the economic benefits accruing to China were too vast and attractive to ignore. Second, the agreement granted the PRC the first opportunity and greatest satisfaction to become the senior partner in the Sino-Russian alliance since the signing of the Treaty of Moscow in 1950, when the Soviet Union was the senior partner.

The trend in China's international relations examined thus far would suggest a Chinese move toward revisionism, aggressiveness, and coerciveness insofar as the PRC condoned Russia's annexation of the Crimean Peninsula. Besides, China and Russia appear to share their opposition against united actions by the West's politico-military alliance. The Sino-Russian universal resistance against the West seems to be supported by evidence from the West's sanctions against Russia in the aftermath of the Eastern Ukrainian crisis.

China's reaction suggests that it is preparing the grounds in case of future challenges to its rise by the West. It appears as if China is signalling to the West and the entire world that it is prepared to defend its place among great powers, even if it entails the use of force and mass violence. Such actions are consistent with the violent ascent of rising great powers in the history of the world such as Wilhelmine Germany and Imperial Japan. From this vantage point, the previous analysis suggests that China is on track to follow the footsteps of those other yesteryear revisionists and coercive rising hegemon.

---

<sup>12</sup>The Soviet Union and the Russian Federation are two distinct entities from earlier years. Nonetheless, they have one thing in common: Both are, respectively, former and present antagonists of the U.S.-led Western alliance. Therefore, they play similar roles in China's balance-of-power calculations.

<sup>13</sup>Although the specific rates of oil and gas have not been made public, most energy consultants and analysts agree that China was able to obtain a highly attractive price and considerably less than the market price. This was achieved in exchange for an advanced financial package to Russia at a time that was in pressing need of liquidity while fighting two costly military involvements in Eastern Ukraine and Syria.

## 7 | CHINA'S INTENTIONS AND THE DUTCH-STYLE HEGEMON TYPE

### 7.1 | Model Case 1: Establishment of the AIIB as a form of Dutch-style hegemony

President Xi Jinping suggested in 2013 that a new financial institution was necessary for Asia. He was reacting against the global financial system dominated by the International Monetary Fund (IMF) and the Asian Development Bank (ADB), the main regional development bank for the Asia-Pacific. Naturally, Xi's reaction was due to the fact that these institutions were set up by the U.S. and its allies and are presently still dominated by them. For example, the U.S. and Japan are proportionally the largest shareholders in the ADB with each holding 15.6 per cent of shares, compared to China's 6.4 per cent. In addition, the president of the ADB has traditionally always come from Japan, currently Takehiko Nakao. Thus, Xi recommended an institution that would work more efficiently and with fewer conditions attached and that it was strictly economic, discouraging great powers meddling into other nations' internal affairs.

To that end, China then proposed the establishment of the AIIB. This institution attracted at first a broad interest among neighbouring Asian states. It was welcomed initially by most of them, except American allies such as South Korea, Japan, and Taiwan. They appeared hesitant to participate as founding members. However, the appeal of the new bank led South Korea and Taiwan to submit their applications to join as founding members—notwithstanding, Taiwan's rejection. Other U.S. allies such as Australia, New Zealand, the United Kingdom, France, Germany, and several European states joined the AIIB, too.

The sequence of events described above stands as a loss for the American diplomatic apparatus and a tremendous gain for the Chinese. Also, China rejected the application of North Korea to become a founding member. Why? This rejection signalled to the rest of the world that China was a responsible actor, unlikely to be influenced by the narrow interests of protégés such as a rogue North Korea. The founding document was signed in mid-2015 and ratified before the end of the year by the necessary member quorum for the AIIB to begin operating officially from its headquarter in Beijing.

China's idea and the successful founding of the AIIB met a mixed response in the media—ranging from finally living up to calls to be a responsible leading great power on the international stage to advancing its regional hegemonic interests in Asia. All in all, the AIIB can be seen as a Chinese stimulus package for the Asian and world economies, without any political strings attached. This outcome is in stark contrast to similar institutions, such as the IMF or ADB.

The type of action by China and its engagement of the international community is consistent with China's tradition to handle global hegemony with a high premium placed on trade and without much concern for territory, politics, or military conflict. The Netherlands was a global hegemon in this tradition from 1585 to 1740. The trend discussed above would speak for China following in its footsteps. Specifically, the Dutch model refers to a global hegemon entirely focused on trade, finance, and disinterested in the internal affairs of its trade partners. If one may, this model may be called the global commercial hegemon. Naturally, the Netherlands had the necessary trade network and the ships and waterways to support it. China, similarly, is getting there, though, it still profits much from U.S. naval protection of sea lanes of communication. The so-called Beijing Consensus, which promotes Chinese trade with all nations while bracketing out political aspects, enabling it to trade with democracies, dictatorships, and



everything in between. Incidentally, the discussion and description above fit quite well with this Dutch model of a global commercial hegemon.

## 7.2 | Model Case 2: China's increased interest in the Arctic as a form of Dutch-style (“Third-Way”) hegemony

Since the late 2000s, China became increasingly interested in having a presence in the North Pole. Given the accelerated receding of ice caps, Chinese strategists envisioned the possibility of future sea lanes opening up through the Arctic Ocean (Kuo & Tang, 2015). These new sea lanes would shorten navigation time considerably and would render trade more efficient and profitable (Lanteigne, 2016). Hence, anticipating possible benefits, Chinese decision-makers succeeded to position China in the conversation about the North Pole to benefit from new potential sea lanes (Danner, 2018).

For instance, the Northwest Passage would shorten the way from Northeast Asia to New York by 2,500 miles, compared with the longer and more expensive route through the Panama Canal. Also, the Northern Sea route would shorten the way from Northeast Asia to Hamburg by almost 6,000 miles as compared with circumnavigating via the Malacca Strait, Suez Canal, and Gibraltar Strait routes (Abel, 2012). Finally, the vanishing ice caps will reveal possibilities for prospecting and exploiting oil and natural gas from below the oceanic seabed. Developing and controlling energy sources is a top priority in China's energy security strategy (Opsal, 2019, pp. 103–144).

In the past few years, China underscored its interest in the North Pole via multiple channels, as Gushin (2013) explains:

*China has stepped up Arctic and Antarctic research. Between 1985 and 2012, Beijing initiated five Arctic (...) expeditions. It has also built the state-owned Arctic Yellow River Station and entered into an agreement with the Finnish company Aker Arctic Technology to construct a second icebreaker by 2014, joining the one that Beijing bought from Ukraine in 1993. Moreover, Chinese representatives take part in the Arctic Science Committee, Arctic Science Summit Week, Ny-Ålesund Science Managers Committee, and the International Polar Year project. In a nutshell, China “is spending around \$60 million annually on polar research, building a China-Nordic Arctic Research Centre in Shanghai, and plans to increase the research staff by a factor of five, to 1,000.”*

Despite China's interests in the Arctic, it did not claim any territory. Further, it did not fabricate a territorial presence as it did in the South China Sea. Nonetheless, it became a permanent observer to the Arctic Council in 2013. This entity is the main body of eight states that possess access or own territory in the Arctic. Canada, Denmark (which also represents the Faroe Islands and Greenland), Finland, Iceland, Norway, Russia, Sweden, and the United States are the eight states that constitute the Arctic Council.

China's apparent indifference to owning territory in the Polar Arctic suggests that its strategic plan is merely to partake in the exploration and exploitation of the Arctic and benefitting from possible shorter and quicker shipping lanes. Also, by granting China observer status, the eight member-state Arctic Council signalled the recognition of China's future role in the area unambiguously. As Gushin (2013) puts it, “China is playing a prudent long game in the region, with economics as the driving factor.”

In essence, the tendency thus far exhibited by China's actions concerning the Arctic reveals a profound economic interest. However, it is still too early to claim that it is uninterested in pursuing military, strategic, and political objectives. China's lack of territorial claims in the polar region and its attendant disregard for challenging those of others are soft indications of its indifference to pursuing other state objectives beyond economic gains.

The evidence discussed in this section reveals China is rising much in line with the historical experience of the former Dutch global hegemony. During its economic heydays in the 16th and 17th centuries, the Netherlands did not overly pursue territory and military prowess. Instead, the Dutch's main focus was profiting through the promotion of international trade and finance.

## 8 | CONCLUSION: BENEVOLENT, COERCIVE, OR DUTCH-STYLE HEGEMONY IN CHINA'S FUTURE?

This article attempted to decipher and explain China's rise and its future direction as a significant leader in the international system. First, consistent with the benevolent-hegemon type, we observed how China's active involvement in the management of the global environment and the UN PKMs indicate this possibility. Nonetheless, these are mainly political activities rather than economic.

The benevolent-hegemon type would suggest proactive and liberal sociopolitical and economic practices. Thus far, China does not appear willing and able to implement these in the immediate future. First, it refuses to open its national market fully to the foreign competitor. Second, it maintains a very tight grip on its currency value and fluctuation for narrow, selfish, national interests. Third, it rejects promoting freer and fairer trade among all actors, irrespective of their level of reciprocity. To be sure, China is a hugely wealthy actor, but one that practices a type of neomercantilist approach in the international market as evidenced by its business practices in the global economy.

Second, we also observed China's island-building policy and its drive for the establishment of a Sino-Russian Entente to neutralise a potential regional and systemic enemy. These are actions that we categorise as consistent with the coercive-hegemon type, similar to the cases of Wilhelmine Germany and Imperial Japan and in the 19th and 20th centuries, respectively.

Third, we identified signs of a possible "Third Way." It is similar to the type of global hegemony defined and practised by the Dutch from the late 16th to the mid-18th centuries. It would be a global hegemony solely focused on trade and financial concerns, without the interference of violent conflicts or impositions of political and ideological norms and values. From the Dutch-style vantage point, a Chinese hegemon would be relatively neutral in terms of ideology, partially uninvolved in the management of the international state system, and mostly interested in profit-maximisation, without the use (or threat) of military actions. In sum, calm and stable political, economic, and security environments are welcome news to Chinese strategists in the short and medium run. Why is that the case?

Ideologically speaking, China cannot be a benevolent hegemon, and militarily and politically speaking, it lacks the type of conventional power and reputation for exerting the kind of global influence necessary to manage the international state and market systems. Regarding ideology, Yan Xuetong argues, for example, that China will have to go beyond the current trajectory of "combin[ing] Marxism with Chinese traditional values" and instead "shape the international order by combining some Chinese traditional values with selected liberalist values (...) [which] could be acceptable to most countries because of their universality" (Yan, 2018, p. 1).

It is difficult to define China's future hegemonic role and its general systemic behaviour accurately. However, as this article argued, the "Third Hegemonic Way" or Dutch-style hegemony is highly instructive in this context. Accordingly, this third alternative proposition adds to the current debate and inventory of plausible explanation of China's peaceful or violent rise as either a benevolent or potentially coercive hegemon.

We argued that Dutch-style hegemony might be the most viable way for China to proceed in its global hegemonic ascendancy. Although China has registered a substantial economic and financial growth since 1989, its population still possesses, relative to other global great powers, lower *per capita* income and relatively small purchasing power. In this vein, the relatively inexpensive labour cost and its mainly export-oriented economy still figure as China's main engine of economic and financial growth. Further, China's national market remains quite small in terms of *per capita* purchasing power. Hence, it needs peaceful, stable, and relatively prosperous international economic and state systems to continue to thrive and to grow. We project that China's leadership will make sure to keep it that way.

Also, China's incomplete and unbalanced power inventory renders it too weak militarily as a near-hegemon to compete aggressively against the United States. Further, China would be considerably less competitive if it has to face a potential military alliance among the United States, Western Europe, India, and possibly Russia. In summary, China must remain commercially active and militarily peaceful on the bases of its economic prowess and its conventional military competitive disadvantage<sup>14</sup> vis-à-vis the United States and its potential allies. Hence, Dutch-style hegemony is a perfect fit for China's immediate and mid-range future.

Accordingly, the study concludes that, although it is exceedingly difficult to predict with a high degree of certainty which way China will go in the future, Dutch-style hegemony is the most plausible explanation of China's direction and role in the international system. However, plausibility does not mean certainty; thus, we are mindful of conflicting evidence that simultaneously points to either China's peaceful (benevolent intentions) or violent rise (coercive intentions).

Despite the evidence supporting all three possible future trajectories, the Third Way or the Dutch style is more congruent with China's international behaviour since 2001. China does not truly challenge the existing order in terms of political values, ideological norms, or regime types. The "Beijing Consensus" promotes trading with any country, irrespective to the political system, that is, governments raging from liberal democracies, such as the United States, to staunch totalitarian dictatorships such as Cuba, North Korea, and Venezuela. China's focus is on sovereignty and not on regime type. As Suisheng Zhao argues, China is in fact "[e]mbracing the Westphalian principles of state sovereignty, (...) while adapting to the liberal norms of globalization, China is (...) dissatisfied not with the fundamental rules of the order but its status in the hierarchy of the order" (2018, p. 643).

Dutch-style hegemony may have in store a significant lesson for China about overemphasising extreme economic pragmatism over political and ideological commitment. Unbalanced priorities may ultimately lead to decline. This condition was the case of the Dutch empire and how it lost power to the English and French in the 18th century. The Dutch weakened their international standing over trade and colonial possessions.

During the Revolutionary War in the United States, the Dutch continued to trade with American Revolutionaries and the enemies of England. This development led to one of the several Anglo-Dutch Wars that ultimately weakened the Netherlands. The British viewed Dutch behaviour cutting into its political and economic spheres. It is possible that the British could have

---

<sup>14</sup>With the notable exception of intercontinental ballistic missiles.

tolerated purely commercial relations, but trade strengthened the American revolutionaries and, thus, weakened the strategic interests of the British worldwide. Because the British were rising as a global hegemon, they viewed the Dutch's behaviour as cutting into British global domination and leadership. In sum, it was impossible to disaggregate purely economic interest from political and strategic calculations. Had there been no hegemonic competition as was the case during the U.S. unipolar moment from 1991 until 2001, then, perhaps, the British would have consented to the Dutch economic relations with the American revolutionaries.

The episode discussed above is instructive for present United States–Chinese relations and economic rivalry. Because they are competing for global hegemony, they must be careful about whom they trade with and how this may or may not undercut the political and strategic interests of the other. It is mainly the case with China who chooses to ignore U.S. sanctions against some rogue states such as Cuba, Iran, North Korea, Russia, and Venezuela.

In terms of present general probability, it does not seem likely that China will take over the leadership of the U.S.-instituted liberal economic and political global order as the Americans did from the British in the early 20th century. Notwithstanding, much of China's hegemonic trajectory could also depend on how it will develop internally in terms of its economy and politics. In this sense, for example, Shambaugh (2016) argues in his *China's Future* for reforms of the Chinese party-state to softer authoritarianism. Further, it seems unlikely that China will institute its leadership and global hegemony via violent conflict, much like Napoleonic France, Wilhelmine Germany, and Imperial Japan. Instead, as expounded above, the Dutch-style (or “Third Way”) global hegemony appears to be a more likely trajectory. Provided, of course, China remains to exhibit strictly trade-oriented, politically neutral, and self-interested pecuniary intentions in the next decade.

In closing, we think the “Third Way” belongs in the general discourse on China's ascent. This alternative explanation will add substance to an intractable and enduring debate. Its absence by design or by omission will render the discussion about the peaceful or violent rise of China incomplete and myopic.

## ACKNOWLEDGEMENTS

An earlier version of this article was presented as working paper at the Annual Conference of the International Security Studies Section of ISA and the International Security and Arms Control Section of APSA at Notre Dame University, South Bend, Indiana, November 6, 2016. The authors would like to acknowledge helpful comments by C. Eugene Gholz, Victoria Tin-bor Hui, Carrie A. Lee, Rachel E. Odell, Yue Ren, and Yuan-kang Wang. All remaining errors are those of the authors alone.

## ORCID

Lukas K. Danner  <https://orcid.org/0000-0002-5914-9585>

Félix E. Martín  <https://orcid.org/0000-0002-1716-5202>

## REFERENCES

- Abel, D. (2012). Chinas Geostrategie in der Arktis [China's Geostrategy in the Arctic]. *China Analysis*, 98, 1–48.
- Abi-Habib, M. (2018). China's 'Belt and Road' Plan in Pakistan Takes a Military Turn. *The New York Times*, accessed at <https://www.nytimes.com/2018/12/19/world/asia/pakistan-china-belt-road-military.html>, 20 March 2019.

- BBC News. (2016). China's Economic Slowdown Deepens. *BBC News* accessed at <http://www.bbc.com/news/37055873>, 25 September 2017.
- Danner, L. K. (2018). *China's Grand Strategy: Contradictory Foreign Policy?* New York, NY: Palgrave Macmillan. <https://doi.org/10.1007/978-3-319-65777-6>
- Economy, E. (2012). Time for a strategic reset. *Americas Quarterly*, 6(1), 52–59.
- Erpul, O. (2019) Revising the status quo of revisionism, grand strategy, and international order. PhD Dissertation, Florida International University, Miami, FL.
- Fontana, B. (2006). State and society: The concept of hegemony in Gramsci. In M. Haugaard, & H. H. Lentner (Eds.), *Hegemony and power: Consensus and coercion in contemporary politics* (pp. 23–44). Lanham, MD: Lexington Books.
- Frieden, J. A. (2006). *Global capitalism: Its fall and rise in the twentieth century*. New York, NY: W. W. Norton & Company.
- Fung, C. J. (2016), China's troop contributions to U.N. peacekeeping, *PEACEBRIEF* 212, 1–5, accessed at <http://www.usip.org/sites/default/files/PB212-China-s-Troop-Contributions-to-UN-Peacekeeping.pdf>, 6 October 2017.
- Gilpin, R. (1975). *U.S. power and the multinational corporation*. New York, NY: Basic Books.
- Gilpin, R. (2001). *Global political Economy: Understanding the international economic order*. Princeton, NJ: Princeton University Press.
- Goldstein, A. (2003). An emerging China's emerging grand strategy: A neo-Bismarckian turn? In G. J. Ikenberry, & M. Mastanduno (Eds.), *International relations theory and the Asia-Pacific* (pp. 57–106). New York, NY: Columbia University Press.
- Gong, D., Li, Q., & Gao, M. (1998). *Deng Xiaoping Waijiao Zhanlue Sixiang Yanjiu*. Beijing: Lantian Chubanshe.
- Gushin, A. (2013). Understanding China's arctic policies. *The Diplomat*, accessed at <http://thediplomat.com/2013/11/understanding-chinas-arctic-policies>, 10 October 2017.
- He, K. (2007). Reining in the dragon: Multilateral institutions and China's peaceful rise. Paper presented at the 48th Annual Meeting of the International Studies Association, Chicago, IL.
- Holslag, J. (2006). China's new mercantilism in Central Africa. *African and Asian Studies*, 5(2), 133–170. <https://doi.org/10.1163/156920906777906781>
- Holslag, J. (2014). The smart revisionist. *Survival*, 56(5), 95–116. <https://doi.org/10.1080/00396338.2014.962802>
- Holslag, J. (2016). Understanding China's new export ambitions. *Europe-Asia Journal*, 1–13, accessed at <http://www.jonathanholslag.be/wp-content/uploads/2016/05/201605-Chinas-new-export-ambitions.pdf>, 1 April 2019.
- Horowitz, J. (2019) A forgotten Italian port could become a Chinese gateway to Europe. *The New York Times*, accessed at <https://www.nytimes.com/2019/03/18/world/europe/italy-trieste-china-belt-road.html>, 20 March 2019.
- Ikenberry, G. J. (1989). Rethinking the origins of American hegemony. *Political Science Quarterly*, 104(3), 375–400. <https://doi.org/10.2307/2151270>
- Ikenberry, G. J. (2013). The rise of China, the United States, and the future of the liberal international order. In D. Shambaugh (Ed.), *Tangled Titans* (pp. 53–74). Lanham, MD: Rowman & Littlefield.
- Israel, J. I. (2002). *Dutch primacy in world trade, 1585–1740*. Oxford: Clarendon Press.
- Keohane, R. O. (1984). *After hegemony: Cooperation and discord in the world political Economy*. Princeton, NJ: Princeton University Press.
- Kindleberger, C. P. (1973). *The world in depression* (pp. 1929–1939). Berkeley, CA: University of California Press.
- Krasner, S. D. (1976). State power and the structure of international trade. *World Politics*, 28(3), 317–347. <https://doi.org/10.2307/2009974>
- Kuo, M. A., & Tang, A. O. (2015, December 16). China's arctic strategy: The geopolitics of energy security. *The Diplomat*, accessed at <http://thediplomat.com/2015/12/chinas-arctic-strategy-the-geopolitics-of-energy-security>, 6 October 2017.
- Lanteigne, M. (2016). *Chinese foreign policy* (Third ed.). Abingdon: Routledge.

- Li R (2016) China's efforts in supporting Paris agreement praised. *Global Times*, accessed at <http://www.globaltimes.cn/content/1009902.shtml>, 10 October 2017.
- Martin, F. E. (2006). *Militarist peace in South America: Conditions for war and peace in South America*. New York, NY: Palgrave Macmillan. <https://doi.org/10.1057/9781403983589>
- Mearsheimer, J. J. (2006). China's unpeaceful rise. *Current History*, 105(690), 160–162.
- Ministry of Foreign Affairs of the People's Republic of China. (2014, March 25). Ambassador to Germany Shi Mingde Gives Exclusive Interview to Der Tagesspiegel: The Main Line Is Reform, Ministry of Foreign Affairs of the People's Republic of China, Beijing, accessed at [http://www.fmprc.gov.cn/mfa\\_eng/wjb\\_663304/zwjg\\_665342/zwbd\\_665378/t1165225.shtml](http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zwjg_665342/zwbd_665378/t1165225.shtml), 26 September 2017.
- North, D. C., & Thomas, R. P. (1973). *The rise of the western world: A new economic history*. Cambridge: Cambridge University Press. <https://doi.org/10.1017/CBO9780511819438>
- Nye, J. S. Jr. (2011). *The future of power*. New York, NY: Public Affairs.
- Opsal, R. (2019). *American and Chinese energy security: A grand strategic approach*. Lanham, MD: Lexington Books.
- Phillips, T., Harvey, F., & Yuhas, A. (2016). Breakthrough as US and China agree to ratify Paris climate deal. *The Guardian*, accessed at <https://www.theguardian.com/environment/2016/sep/03/breakthrough-us-china-agree-ratify-paris-climate-change-deal>, 6 October 2017.
- Phillips, T., Holmes, O., & Bowcott O (2016). Beijing rejects tribunal's ruling in South China Sea Case. *The Guardian*, accessed at <https://www.theguardian.com/world/2016/jul/12/philippines-wins-south-china-sea-case-against-china>, 5 October 2016.
- Pilling, D. (2010). Keeping its distance. *Financial Times*, accessed at <http://www.ft.com/intl/cms/s/0/77a928a0-1511-11df-ad58-00144feab49a.html#axzz3noKp8ej8>, 5 October 2017.
- Powell, B. (2016). Will China follow Japan into economic stagnation? *Newsweek*, accessed at <http://www.newsweek.com/2016/02/26/china-japan-renminbi-economy-426747.html>, 1 October 2017.
- Ross, R. S., & Tunsjø, Ø. (Eds.) (2017). *Strategic adjustment and the rise of China: Power and politics in East Asia*. Ithaca, NY: Cornell University Press. <https://doi.org/10.7591/9781501712777>
- Samuelson, R. (2015). Will China crash and follow in Japan's footsteps? *The Japan Times*, accessed at <http://www.japantimes.co.jp/opinion/2015/09/07/commentary/world-commentary/will-china-crash-and-follow-in-japans-footsteps/#.WBFQ-iS53BY>, 25 September 2017.
- Shambaugh, D. L. (2016). *China's future*. Malden, MA: Polity.
- Shen, S. (2012). Introduction: Multidimensional diplomacy as a global phenomenon. In S. Shen, & J.-M. F. Blanchard (Eds.), *Multidimensional diplomacy of contemporary China* (pp. 3–20). Lanham, MD: Lexington Books.
- Snidal, D. (1985). The limits of hegemonic stability theory. *International Organization*, 39(4), 579–614. <https://doi.org/10.1017/S002081830002703X>
- State Council of the People's Republic of China. (2005). China's Peaceful Development Road. Information Office of the State Council of the People's Republic of China, Beijing, accessed at <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN023152.pdf>, 20 September 2017.
- State Council of the People's Republic of China. (2011). China's Peaceful Development, Information Office of the State Council of the People's Republic of China, Beijing, accessed at <http://in.chineseembassy.org/eng/zt/peaceful/t855717.htm>, 20 September 2017.
- Sun Y. (2015). Interview: Chinese diplomat calls powers' game root cause of Ukraine crisis. *Xinhuanet.com*, accessed at [http://news.xinhuanet.com/english/2015-02/27/c\\_134021440.htm](http://news.xinhuanet.com/english/2015-02/27/c_134021440.htm), 1 October 2017.
- Trading Economics. (2016a). China unemployment rate. *Trading Economics*, accessed at <http://www.tradingeconomics.com/china/unemployment-rate>, 15 October 2017.
- Trading Economics. (2016b). China foreign exchange reserves. *Trading Economics*, accessed at <http://www.tradingeconomics.com/china/foreign-exchange-reserves>, 15 October 2017.
- Trading Economics. (2016c). China average yearly wages in manufacturing. *Trading Economics*, accessed at <http://www.tradingeconomics.com/china/wages-in-manufacturing>, 15 October 2017.



- Trading Economics. (2016d). Shanghai composite stock market index. *Trading Economics*, accessed at <http://www.tradingeconomics.com/china/stock-market>, 15 October 2017.
- Yan, X. (2011). In D. A. Bell, & S. Zhe (Eds.), *Ancient Chinese thought, modern Chinese power*. Princeton, NJ: Princeton University Press.
- Yan, X. (2018). Chinese values vs. liberalism: What ideology will shape the international normative order? *Chinese Journal of International Politics*, 11(1), 1–22. <https://doi.org/10.1093/cjip/poy001>
- Yao, K. (2016). China Q2 GDP growth seen cooling to 7-year low, more stimulus expected. *Reuters*, accessed at <http://www.reuters.com/article/china-economy-gdp-idUSL4N1A01X4>, 1 October 2017.
- Zakaria, F. (2013). Economics trumps politics. In R. K. Betts (Ed.), *Conflict after the cold war: Arguments on causes of war and peace* (Fourth ed.). New York, NY: Routledge.
- Zhao, S. (2018). A revisionist stakeholder: China and the post-World War II world order. *Journal of Contemporary China*, 27(113), 643–658. <https://doi.org/10.1080/10670564.2018.1458029>
- Zheng, B. (2005). China's 'peaceful rise' to great-power status. *Foreign Affairs*, 84(5), 18–24.
- Ziegler, C. E., & Menon, R. (2014). Neomercantilism and great-power energy competition in Central Asia and the Caspian. *Strategic Studies Quarterly*, 8(2), 17–41.

**How to cite this article:** Danner LK, Martín FE. China's hegemonic intentions and trajectory: Will it opt for benevolent, coercive, or Dutch-style hegemony? *Asia Pac Policy Stud.* 2019;6:186–207. <https://doi.org/10.1002/app5.273>