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Review Article

Paul Evans: China and the Global Order: One Challenge, Three Perspectives

Rosemary Foot and Andrew Walter, *China, the United States and Global Order*, Cambridge, Cambridge University Press, 2011, 352pp., paperback, ISBN 978-0-521-72519-4.

William H. Overholt, *Asia, America and the Transformation of Geopolitics*, Cambridge, Cambridge University Press and the RAND Corporation, 2008, 366pp., paperback, ISBN 978-0-521-72023-6.

Edward S. Steinfeld, *Playing Our Game: Why China's Rise Doesn't Threaten the West*, New York and Oxford, Oxford University Press, 2010, 320pp., hardback, ISBN 978-0-195-39065-0.

Few international topics now attract more attention than the fourth rise of China, its deep integration into regional production networks and global value chains, its increasing influence in international institutions, and the persistence of its particular form of authoritarian capitalism. Decisions of Chinese officials, citizens and consumers have impact globally.

In 2000 China was a vibrant emerging market, a new member of the World Trade Organization (WTO), the shop floor of the world and a significant regional power. A decade later, on the far side of the financial crisis of 2008 and the demise of America's unipolar moment, it has emerged as a primary force in a messy, multi-centric world order. Is there any global issue – climate change, environmental degradation, pandemics, non-proliferation, human security – where the road to a solution does not run through Beijing? Talk of a G2 may be premature and even dangerous, but it shows how far perceptions have shifted in a geo-political blink of the eye.

Writings of the last decade have produced some fulsome depictions of what is underway. China has been described as a titan, a palpable global force; its rise as a game changer, epochal, tectonic, meteoric, inexorable, extraordinary, remarkable, transformative,

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without precedent, the great drama of the twenty-first century and the largest challenge to the West in 500 years. At the same time a legion of analysts are equally committed to the proposition that China is at best a fragile superpower, that it faces enormous internal problems and is on the verge of implosion, collapse or decline.

Our era, for better or worse, is being defined by the rise of China and the responses to it. In government circles, China is top of mind for ministries ranging from foreign affairs and defence through finance and trade, health, immigration . . . the list goes on. When foreign governments call for a 'whole of government' approach to China, it is a sure sign of the comprehensive challenge China poses.

Public attitudes about China's growing power and influence contain equal measures of awe and concern. Polls by the Lowy Institute in Australia in 2010 and 2011 found that 55 per cent of Australians felt that China was already the world's leading economic power, as compared to about 30 per cent who felt that the USA was the leading power. A BBC survey of 27 countries in March 2011 found that most respondents expected China to overtake the USA in economic importance to their country over the next ten years. Surveys by the Asia Pacific Foundation of Canada between 2008 and 2011 found that two out of three Canadians believed that Chinese power would surpass that of the USA in the next ten years. These same publics are consistently concerned about China as a threat to jobs, economic prosperity and product safety, and are worried about its state-owned enterprises, environmental degradation, military modernization and approaches to human rights and democracy.

The year 2008 proved a publishing watershed, with a boom on both sides of the Pacific of English-language books analysing China's emerging prominence. The titles are revealing: *When China Rules the World* by Martin Jacques; *Charm Offensive: How China's Soft Power is Transforming the World* by Joshua Kurlantzick; *China Shakes the World: A Titan's Breakneck Rise and Troubled Future and the Challenge for America* by James Kynge; *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East* by Kishore Mahbubani; *The Three Faces of Chinese Power: Might, Money and Minds* by David Lampton; and, more recently, *Eclipse: Living in the Shadow of China's Economic Dominance* by Arvind Subramanian. There are also some excellent edited volumes by academic authors, the best among them *China's Ascent: Power, Security and the Future of International Politics*, edited by Robert S. Ross and Zhu

Feng, and *China and the New International Order*, edited by Wang Gungwu and Zheng Yongnian.

From a world perspective, the situation gives rise to some big questions. What drives China's economic rise and can it continue? What does a global China think and want? Is armed conflict between the USA and a rising China inevitable? Is China a status quo or revisionist power? Will a more powerful China aim to complement, supplement, supplant or undermine a US-anchored international system? Will China be a 'responsible stakeholder' or a different kind of global power? Is a liberal internationalist foreign policy compatible with China's illiberal domestic order? Is Middle Kingdomism finished forever or is China ready to reprise its ancient leading role?

The three volumes reviewed here, each coming from a very different angle, are valuable additions to a high-stakes debate.

THE COSMOPOLITAN VIEW

Rosemary Foot, professor at St Anthony's College, Oxford, is an academic's academic, widely admired for her careful, nuanced and balanced analysis of contemporary international affairs with an Asian focus. Her co-author, Andrew Walter, is a sharp political economist with an eye for financial and economic issues. Together they have produced an ambitious and judicious assessment of what they see as the two principal countries in the world. Their focus is the pattern of compliance with the norms and structures of global governance that are larger than either country but deeply affected by each of them and by the dynamic of their bilateral relationship.

Their vantage point on global order is refreshingly cosmopolitan, standing above both countries and drawing on the tension between 'solidarist' and 'pluralist' perspectives. The latter focuses on the rules and practices of an evolving Westphalian state system. The former roots itself in an era of globalization that has generated scores of issues that run beyond the capacity of individual states and the state system to resolve and beyond the domain of state sovereignty. Global order conceived from a solidarist perspective involves actors above and below the state that have a major impact on the management of global issues. Global norms in this view are bigger than inter-state norms in areas such as human rights and the environment. The two perspectives differ from the approach that nothing matters apart from power politics and they live in uneasy coexistence: the Westphalian state system is not vanishing but it is being supplemented.

The book fuses an English-school vision of international society, a Canadian-like concern with multilateral institutions, and a twenty-first-century echo of James Rosenau's pre-theory of foreign policy. The normative aim is the creation of a better international society where we can 'live together relatively well in one planet', in which global norms address 'real and unavoidable problems in global governance', and in which norms are 'representative of rightful behaviour' (p. 298). The legitimacy of a norm, the authors argue, depends on procedural fairness, a reasonable distribution of costs and advantages, and appeal beyond one society.

Global order is unpacked into normative frameworks in specific issues areas, and Foot and Walter analyse whether and why the USA and China challenge or support them. 'Norms' are interpreted broadly and include formal treaties, international standards, best practices in international institutions and informal rules. The focus is on five issues: the use of force (with special attention to the Responsibility to Protect), macro-economic policy surveillance (mainly with attention to exchange rates), non-proliferation of nuclear weapons, climate change and financial regulation. They look closely at the nature of the most relevant normative frameworks based on their longevity and specificity; the salience of the US–China bilateral relationship for them; the degree of domestic social significance, obligations incurred and USA/China symmetry on the issue. In explaining the drivers of US and Chinese policy they focus on a multiplicity of factors (think here of a pared-down Rosenau pre-theory) emphasizing domestic institutions, leadership doctrines and societal interests.

The prominence of the USA and China is stated loud and clear. They are 'the two most important countries in the contemporary global order' and their bilateral state-to-state relations its 'most complex and significant' (p. 15). In a context that the authors describe as complex interdependence rather than integration, America retains its primacy while China has 'growing potential to shape the international order of the 21st century and to reduce US preponderance in certain contexts'. China matters, in part, because the USA treats it as its most significant strategic interlocutor and 'as the most important long-term threat to its economic, political and military hegemony' (p. 18).

To be sure, neither can be described as a 'normal country'. While the USA is not alone in hypocrisy and bias, American exceptionalism is unique in its self-conception as a beacon, transformative force and ultimate custodian of international order. Even in the international order that it played the lead role in constructing, the USA has frequently sought exemptions, used double standards and privileged its domestic legislation. China has sometimes acted in similar ways, not because of deep-seated historical factors but because of matters of national interest and societal pressure. In this account, history, strangely, has a bigger claim on American attitudes towards global order than on Chinese.

The five case studies are intricately developed, well informed and draw mainly on a close analysis of academic and journalistic accounts, supplemented by interviews carried out in China. The conclusions are even-handed and occasionally surprising. For example, in looking at the use of force and the Responsibility to Protect, Foot and Walter conclude that China's 'conservative' position reflects a combination of national interests and operational doctrines. Increasingly sensitive to international opinion, China neither blocks nor unravels the norm, though, and instead looks carefully at its application on a case-by-case basis. The USA, on the other hand, is supportive of the principle and has the capacity to act, but is leery of bearing too heavy and too frequent a burden. Thus for the Obama administration, the views on the Responsibility to Protect are 'not strongly at odds with views voiced in Beijing, even if different values underpin [its] convergent position' (p. 78).

The discussion in Chapter 3 steers away from advocating either the Chinese or American position on macro-economic surveillance and the valuation of the Renminbi. While neither country is fully committed to the surveillance framework, it is nevertheless a theatre of contention. The USA is deeply committed to the norm of surplus country responsibility yet is unwilling to subject its own fiscal and monetary choices to multilateral constraint. China sees norms on currency manipulation and surplus country responsibility as unfair and illegitimate, shaped by US interests and power rather than by universal principle.

On the prospects for solving global issues, Foot and Walter find we are closer to a G-0 world than a G-2 one. Overall, the USA and China constrain rather than advance more cooperative international solutions to key global challenges. Neither state has provided solutions in an era of transition and uncertainty. Despite its leadership role in the past, the USA has become inattentive. It does not play by rules that others make and is inconsistent even in playing by rules that it makes itself. Meanwhile, Chinese leaders do not want to see a radical rewriting of the rules of global order. They are far more often norm-takers than norm-makers and are usually unable to provide unsatisfactory answers to pressing global problems.

Further, despite interactive effects, Chinese and American views are only slowly converging, if at all.

> The stances of both countries towards such frameworks often differ substantially, though not inversely. Instead, for China, there has been a broad trend toward gradually rising levels of behavioural consistency, but with some important exceptions [especially macro-economic policy surveillance]. For the United States, there has been no equivalent trend in either direction, but instead a general tendency towards important behavioural inconsistencies at particular times, accompanied by a willingness to defend these as justified whilst insisting that other countries abide more strictly by global behavioural norms. (p. 280)

American inconsistency is the product of a heady brew of an abiding sense of exceptionalism, domestic feelings about procedural legitimacy, calculations of the distribution of costs and benefits of international norms, blatant self-interest, and the checks and balances and interest group activity that determine policy outcomes. Foot and Walter reject the claim that regimes place more demands on the USA than on other countries. Burdens on the USA are 'generally no greater than those that apply to other developed countries' (p. 278).

Political scientists and norm theorists will value the key findings in this book. Some reinforce conventional wisdom: on norms, 'rarely is it the norm itself, operating autonomously, that performs the work of shaping the behavior of these two states' (p. 30). Rather, domestic interests and values and institutional configurations are primary determinants. Further, if domestic sensitivities are high, so is non-compliance. Other findings are more provocative. Norms do serve as focal points for debate, as benchmarks for measuring behaviour, in signalling state identity, as means for legitimating or delegitimating state actions and as an 'important and inescapable part of the decision-making environment' (p. 295). Bush-era unilateralism, including the doctrine of the preventive use of force, failed disastrously. Foot and Walter observe that in both countries there are those who support normative frameworks on a non-instrumental basis because they are morally right and will make the world a better place, and there are those who argue that the net cost of norm compliance is too high. The balance shifts, the authors suggest, not just on the basis of the domestic interests at play but also on the perceived fairness of the norm.

Looking to the future, both the USA and China, whether they like it or not, are embedded in a set of norms and contribute to an evolving global order. That order would be improved if each country would emulate the best features of the other, if the USA would prove willing to rewrite the rule book and if both sides would use norms as a way to mediate their bilateral disputes. The USA and China share a common fate, and strengthening international norms is a better approach than strategic competition or ad hoc agreements based on mutual advantage. Armed conflict between the two is not inevitable and, no, China will not rule the world.

A defining aspect of the book is that the authors steadfastly avoid characterizing the current order as 'ours' in the sense that it is the product of the West or the USA along the lines of John Ikenberry's work on the liberal international order. Cosmopolitans to the core, Foot and Walter see the global order as bigger than any single country, even as they are ambiguous about whether its norms are determined by the most powerful actor in the system. They make a convincing case that over time China is becoming more cooperative in support of global norms. Yet will that change as its power increases? If Wang Gungwu and Zheng Yongnian are correct that Chinese leaders do not believe that the current international order is *the* international order but instead the one created by the victors of the Second World War, China's role as an increasingly responsible stakeholder may change quickly. Will China's future behaviour more closely resemble that of the USA now?

ENTER GEO-POLITICS ASIAN-STYLE

If the Foot and Walter book is the view of theoretically driven academic observers looking in, William Overholt is the semi-insider talking and living policy. Overholt's book is a genre twister, part academic and part memoir in a combination unusual for both Cambridge University Press and the RAND Corporation that sponsored the work. It is a *tour d'horizon* of economic, social and political issues from the vantage point of an American with an exceptional set of experiences in policy circles, investment banks and research institutes in Asia and the USA over 30 years. Overholt pays homage to Harvard University's Asia 21 dialogue series, the Nomura Research Institute and the RAND Corporation, and key individuals including Robert Scalapino, Zbigniew Brzezinski, Benigno and Corazon Aquino, Kishore Mahbubani and Lee Kuan Yew. And, not to be forgotten, several million miles of air travel.

Overholt wears his iconoclasm on his sleeve and rare it is to open a book that begins, 'I hope to hear from anyone whose favorite preconceptions are not offended by what I have written' (p. xv). Where Foot and Walter demure from focusing on individuals or offering direct prescriptions for action, Overholt not only peers over the shoulder of policymakers, he is intent on challenging conventional wisdom and shaping their actions. Much of the real thinking behind policy never reaches print, he claims, and when it does the passion has been drained out. He aims boldly 'to help the advisors of those leaders question the preconceptions they hold and reflect on where the decisions they make may lead their countries' (p. xxxviii).

Published in 2008, the book is a wide-angle look at regional and country trends in Asia and a critique of the Bush administration's Asia policy. Sometimes repetitive but never dull, Overholt's argument is that the fundamentals of US policy in Asia were rooted in an out-dated Cold War set of ideas and institutions and a misreading of ground-level economic, social and political developments in Asia.

The USA did most things right during the Cold War and by 2000 was 'ascendant' in Asia. Overholt applauds Admiral Fallon for initiating a dialogue with China, Robert Zoellick for treating China as 'responsible stakeholder' and Henry Paulson for launching the Strategic Economic Dialogue with China. He does, though, take aim at Bush-administration thinking that misread Asia and China's rise, focused on a military-first approach and spreading democracy, gave insufficient attention to economic development and concentrated on coalitions of the willing rather than building multilateral institutions. By 2008 the USA was stronger militarily than ever before but 'its geo-political leverage has declined precipitously' (p. 250). Bush-administration policy focused too much on India for ideological reasons of the kind put forward by Robert Blackwill, and ensured 'a gratuitous level of Sino-Japanese tension' (p. 57) by following Richard Armitage's line on restructuring the USA–Japan alliance. Strategically, America was giving signs of deepening economic relations with China while building a military alliance against it. ‘Clausewitz’, Overholt concludes, ‘would not approve’ (p. 234).

Overholt’s main line of argument is not unique but he does have a keen eye for regional trends and a capacity for some real zingers that live up to his iconoclastic ambitions, such as:

- China is taking stronger measures to end North Korea’s nuclear programme than is the USA (p. xx).
- The USA–Japan relationship is increasingly tight while the real issues are being managed by the USA and China in a ‘bicondominium’ (p. 136).
- Japan is making the USA–Japan alliance ‘a substitute for an Asia policy’ (p. 300).
- ‘For leaders in Washington, as for leaders in Tokyo, the U.S.–Japan alliance has become a substitute for broader institutional structures and detailed policies, a big tree that casts such a large shadow that everything else is deprived of sunshine’ (pp. 302–3).
- ‘The typical Chinese family has more than one television, while the typical North Korean family has a relative who has starved to death’ (p. 167).
- Vietnam is the last great reservoir of love for the USA (p. 182).
- India demands to be called a great power while China denies that it has these ambitions itself (p. 199).
- China has made more compromises in settling border issues with neighbours than Japan or India (p. 284).
- Deng’s sequencing of reforms promised to be and has been dramatically more successful than Gorbachev’s (pp. xix and 63).
- ‘The rise of new Asian powers has reduced conflicts, not increased them’ (p. 53).
- ‘China has much better relations with its neighbors than democratic India’ (p. 61).
- Shanghai farmers have a higher standard of living than mid-level Tokyo stockbrokers (p. 92).
- ASEAN is a Cold War system that has successfully adapted to new circumstances (p. 184).
- ‘Today, China is following in Africa practices that were successful for the United States in East Asia’ (p. 249).

Overholt’s horizon is larger than China, but he puts China centre-stage in its historical and Asian contexts. He argues persuasively that China’s rise is inextricably linked to increasing economic integration within Asia and that 'China's economic dynamism has had a decisive influence on its neighbors' (p. 121). For Japan, China has been stimulus and partner; for India, a wake-up call. However deep the economic relationship between China and South-East Asia, South-East Asian countries are not likely to be become Chinese tributaries or allies, mainly because of China's unattractive political system.

Overholt takes aim at an American script on China that he sees as outdated, Cold War fixated and mechanistic. He rejects the ideological contention that China is dangerous because it is not a democracy, citing the fact that democratic India has more conflict with its neighbours and a far higher level of internal political violence, including 58 domestic insurgencies, than does China. Rather, he presents China's strengths as its civilization, openness and scale; its weakness as politics. While it is not a free or democratic society, substantial incremental change is underway. Its choice is some mix of Leninism and democracy, and it will not be bullied on these matters. Citing the Philippines, Overholt observes that democracies are not better at development than non-democracies. Asian elites do not share what he describes as America's Manichaean view of an unbridgeable chasm between democracy and other forms of rule. 'Taiwan was once more Leninist than China is today' (p. 247); the preferred future for the Chinese Communist Party may be the LDP in Japan.

While Overholt likes the idea of multilateral institutions, he spends little time on their regional and global configurations. In Foot and Walter's terms, he is a pluralist with a worldview centred on the interaction of states. Here he is more mainstream than iconoclastic. The prescriptions for managing China's rise are to avoid the hysteria in America and elsewhere that blocks deeper Chinese economic integration. He uses the Unocal fiasco of 2005 as a key example of that misinformed panic. He sees it as desirable to get China into 'America's principal institutions' along the lines of the responsible stakeholder model. 'A world with a coherent and prosperous China is a good world, not a bad one' (p. 305) and, like Foot and Walter, he rejects mechanistic Realist models that predict an inevitable conflict with China.

Much of what Overholt prescribes was taken on board by the White House in the latter Bush period and has been internalized by the Obama administration. Support for multilateral institutions, an emphasis on opportunity rather than threat, the emphasis on China rather than Japan are all part of the 'attitude transplant' that he recommended. The big disjuncture, however, is not US intentions and policies but economic fundamentals. Overholt perceptively argues that projected trends from a baseline of the year 2000 would have been anchored in assumptions about America's pre-eminent economy, military and ideology and an Asia headed for an era of American dominance, reduced polarization and consolidation of a 50-year trend towards greater economic cooperation and less geopolitical conflict. Instead, China rose, Japan slipped and US relations with the region changed.

The lustre is off the American model of economics and politics in much of Asia. In 2008 the jobless rate in the USA was at its lowest point in 50 years; in 2011 it was at its highest. Its democratic values are widely admired but its political institutions, despite a popular president, appear dysfunctional. America remains influential and welcome in Asia, but China's influence and power are rising, accelerated rather than dampened by the financial crisis that hit a few months after Overholt's book appeared. The new configuration of power of which global China is a central part demands even more supple policy responses in China and a change of attitude that embraces senior leaders as well as an anxious public.

OUR GAME

Fast-forward two years and Edward Steinfeld's *Playing Our Game: Why China's Rise Doesn't Threaten the West* seems to have been written in a different century. Steinfeld, a professor of political science at the Massachusetts Institute of Technology (MIT), has a nose for business practice, takes China's rise seriously and sees in it not threat but opportunity with a capital 'O'. It is the perfect antithesis to the angst of Martin Jacques' *When China Rules the World* and that of other authors convinced that, for better or worse, with China's rise will come a Sino-centric world order.

Contrary to much of the writing about global China, Steinfeld is bullishly optimistic that its rise is not only good for China; it is overwhelmingly good for the USA and the world. It does not foretell the end of 'our' order but its strengthening. As the book's title has it, China is already playing our game, playing by or converging with our economic and regulatory systems and modelling its economy on the American form of capitalism. It is not a matter of when China will converge with the West – in fundamental ways it has already done so.

Steinfeld's contrarian thinking is of a high order and has a distinctively materialist foundation. The book conjoins sprightly prose, sophisticated research, deep experience with Chinese commercial enterprises, and a worldview that is somewhere between Joseph Schumpeter and a hybrid of Milton and Thomas Friedman – with Pangloss and Karl Marx sitting in the wings.

The book starts not from geo-politics, political institutions or normative frameworks, history or civilization but from a production-centred view of globalization in an era of modular production and integrated supply and value chains. 'Globalization is not really about different parts of the world trading at arm's length and competing head to head,' he argues, 'it is about the world, including places once considered the farthest frontiers, getting pulled into complex production hierarchies that once existed only within the firm' (p. 22). Design, engineering and manufacturing are fragmented and dispersed across constellations of interdependent commercial organizations. Some of the newly separable pieces remain in traditional corporate and geographical homes, others migrate.

Enter a China that is not about toys or textiles and the simple import of components, reassembly and export, as it was two decades ago. China is a now a global hub for high-tech manufacturing in sectors including advanced electronics manufacturing, IT, pharmaceuticals and software in a 'highly sophisticated, highly design- and quality-intensive production, a process involving coordination across many players' (p. 27).

China's integration into the global production system has reshaped not only its economy but also its society and politics. It has done so not with a great game plan but out of desperation, necessity, adaptation and adjustment on the run. The global division of labour into which China has inserted itself is anything but a level playing field. China is defined today 'not by its own version of capitalism but rather by that of the world's leading commercial pacesetters, Western companies and consumers' (p. 121). Chinese manufacturers are rule takers not rule makers. Even on issues such as the management of currency exchange rates – an area where Foot and Walter perceive China as an outlier from the international normative framework – Steinfield sees an ineluctable pull to be consistent with open markets as absolutely necessary for participation in global production. The same holds as China adjusts its domestic laws, labour relations (protection of individuals, not protection of a class, by contract, and to the benefit of management), eradicates the work units, lifetime employment, free housing and health care. China has leapt from Maoism to Reaganism in a single generation.

Accompanying the extraordinary success of Chinese business is the enormous challenge of advancing upwards in that division of labour. China is caught in a manufacturing trough, with its competitors being Mexico or Indonesia, not the USA. The success in 'innovative reverse engineering' has had the effect of lowering the price and margins for its principal exports. Laptop computers and microwave ovens, for example, have not just come down in price, they have become commoditized in the sense that brand differentiation matters very little. There is a very high level of foreign investment and ownership. The knowledge-based innovation is not taking place in the companies that do the manufacturing. The value capture is in the research and development, product conceptualizations and customer service, less so in product design, branding, marketing and distribution, and only last in manufacture. On the back of my iPad2 are the iconic words: 'Designed by Apple in California. Assembled in China.' China may be a global player but it is not, like Germany or Japan, a great industrial power.

How can China move up the value-added ladder? The obstacles are substantial. Even in research and development (R&D), Chinese activities focus on new product platforms and the adaptation of existing products rather than on new-to-the-world technologies. Its firms are more interested in each other than foreign competitors and characterized by a 'producers' rather than an 'innovators' mentality. Multinational corporations (MNCs) are making use of Chinese talent. Paradoxically, China is neither lagging behind nor out-innovating the West.

The chapters on the dynamics of China's production system, the ground-level story of R&D in China, are splendid in their sophistication and clarity. Taking his story out of the world of firms into the world of society and politics, Steinfeld uses the key concept of 'institutional outsourcing', by which he means 'ceding to a third party the power to define key societal rules that govern and shape social interaction'. Integration into global supply chains means structuring society to make this happen. It is not just about creating jobs or manufacturing activities. Rather, 'China has outsourced the power to define its domestic institutions – and thus shape its developmental trajectory – to those commercial entities and other outsiders' (p. 25).

It was political decisions by Deng Xiaoping that opened the door to this economic transformation. Steinfeld dates the birth of global China not to Deng's opening in 1979 but to a decade later, after Tiananmen Square, when the government took decisions to integrate deeply into global production systems. The economy – and political system – have been remarkably transformed ever since, in ways that Steinfeld describes as 'dislocating, bewildering, and exhilarating' (p. 16) and as producing a new social contract. 'China's current revolution is about a nation that has rescued itself from existential crisis by linking itself to a particular kind of global economic order' (p. 18). Reform and opening have become ends in themselves, a form of national salvation. From admiration of America's military capacity demonstrated during the Gulf War, through to an assessment that the Asian crisis of 1997 showed not the weakness of markets but the need to get into them more deeply, the reform process has stayed the course, even among rural protestors, towards a 'modern, complete market economy' (p. 61).

The sections on the political implications of 'post-totalitarian' China's capitalist embrace are the boldest and most problematic. To mesh into global production means adjusting domestic systems, and not just economic ones. Steinfeld sees a sequence in China in the last 25 years as it moved from 'globalist converger' to 'capitalist facilitator', to 'institutional outsourcer', to 'double-down state', to 'self obsolescing authoritarian'. The political system remains arbitrary, brutal and unjust but has produced 'head spinning change, even at the highest reaches of the political system'. Basic social institutions, including the work unit (*danwei*), have been eliminated and others have been transformed. The Communist Party, for example, now embraces private entrepreneurs and overseas-trained professionals. A new kind of bureaucrat is managing the economy.

As in Taiwan and South Korea earlier, 'China has been transformed from a worn-out totalitarian throwback, a quirky and depressing historical outlier, to something far more recognizable, an authoritarian liberalizer in the East Asian development tradition' (p. 15). It is not just adopting values and institutions from the West, it is internalizing many of them, including law-based society, a focus on the individual citizen and protection of individual rights, mechanisms for accountability and a long-term path to democratization. Its government 'now rules based on its ability to deliver a version of modernity defined by the advanced industrial democracies of the West' (p. 45).

The implications for USA–China relations are win–win. China's rise is good for the US economy. It has helped the USA manage its debt and protect its interest rates. More important, it is forcing an unprecedented degree of specialization in American and overseas firms to go higher on the value-added curve. China's role as 'the best supporting actor' in global production and the USA's leading role as global innovator go hand in hand. 'This is not necessarily about who is winning and who is losing. It is about multiple nations, including the United States and China, together climbing the ladder of economic growth, together benefiting immensely from globalization, and together fostering one another's continued modernizations' (p. 232).

China's time as an existential adversary of the USA has passed. China is neither an ally nor a friend: it is a partner, 'an entity that shares with us an increasingly common set of values, practices, and outlooks . . . and an interest to sustaining the global system it has joined' (p. 233).

China's rise is not to be feared but celebrated:

> This is a story of China's purposively pursuing a particular path of international integration and doing so as part of its core modernization mission. In China, national identity has for at least a century been fused with the quest for modernity. What is so noteworthy now is that in recent years, that quest for modernity has been fused with an image of the global order that is decidedly our own. China today, after nearly a century of upheaval, is recapturing its identity and sense of self-worth not by lashing out but instead by attaching itself to an existing global order, our order. (p. 229)

Advocates of engagement strategies can rejoice. China is not only changing, it is converging with the West. This is not the end of history. China, like the West, continues to evolve. It is, however, an era of convergence and on the West's terms in the areas of business, economic management, innovation and governance. 'Our present reality is for many Chinese, including many deep within the party-state establishment, their hope for the future' (p. 231).

Steinfeld's exuberance, logic and shrewd insights are beguiling. Though the fundamentals of his argument could not be more different, his eye for the big idea brings to mind the classic by his MIT predecessor, Lucian Pye: *Asian Power and Politics: The Cultural Dimensions of Authority*. Get inside the world of business and production and his account is spellbinding if not persuasive. The invisible hand of production appears to be acting like a magnet under a sheet of paper on which iron filings inevitably shape themselves to its force.

Step outside and a host of criticisms come to mind. When trends become destiny, materialism becomes fantasy. Are those economic forces so ineluctable? Are those Chinese values and institutions transforming as much as adapting? If elite politics give, can it not also take away, with liberalization delayed if not reversed? A door that opened can close. Where are the issues of nationalism, rising military capacity, regional tensions and political uncertainty that are the stuff of the Overholt book? Why do Foot and Walter conclude that there is at best partial Chinese convergence with global normative frameworks? Are there not traces of Chinese innovation, in fields such as nuclear energy, that can make China a peer competitor in the higher value-added enterprises? Are American values and global values – *our* values – truly identical? Are they really not only represented by but defined by the USA?

China historians will note that Steinfeld's account of Chinese modernization is built on the work of Benjamin Schwartz, not that of a John Fairbank, Wang Gungwu or Lucian Pye – all of whom start with culture and civilization rather than production and finance as the bedrocks of their analyses. So where does that leave us in understanding a global China that is now a reality and a world order that is facing its biggest challenge since the Second World War?

For all their differences, the three books have a great deal in common. All three believe in democratic values and institutions but none of the authors is a democratic fundamentalist who believes that democracies behave in ways fundamentally different from other kinds of political systems in their propensity for conflict, geo-political orientation, ability to cooperate or ability to provide economic gain. However powerful these arguments, they are difficult to sell in domestic political debate in democratic countries around the world. In conservative Ottawa, for example, more than a few members of Cabinet hold the image of China as a godless totalitarian country with nuclear weapons aimed at us.

The views of these authors reinforce the logic of deep engagement with China. Contrary to the arguments of James Mann's *The China Fantasy* and the strange coalition of conservatives and liberals who believe that China's political system is either static or moving in regressive directions, all three books see movement in a positive direction, even if not quickly enough. Both Steinfeld and Overholt see that future as the political path of Taiwan and South Korea. Conflict with China is possible, but not inevitable and probably not even likely. On balance China is embracing global and multilateral processes with enthusiasm when given the opportunity, even as it is experimenting with formats such as the Shanghai Cooperation organization, which are operating on the basis of values and rules far different to the Western-inspired and Western-generated. China's rise is to be embraced not feared. There is not a whiff of Chinese threat, containment or alliance of democracies in any of the books.

Where the books differ is in the understanding of the world order in which China is becoming more deeply enmeshed. Foot and Walter see it as a pluralist blend of national perspectives plus an extra dimension of solidarist global norms. It is America-dependent in many respects but not identical to America. Overholt's starting point is American expectations of China's convergence with American-based rules, but he conveys that cultural convergence is unlikely and that other players in Asia also help build rules and institutions. For him, mapping China's future depends on understanding its history, culture and civilization, not just its behaviour in international institutions or the structure of its economy. Steinfeld makes occasional reference to countries in Europe and Asia, but his global order is unambiguously America's global order.

As interesting and revealing as they are, all three books are in English and are only part of the story. There are probably more books, and certainly more articles, about China's rise written inside China than outside it. The emerging intellectual challenge is to put the two universes together. What Chinese leaders and intellectuals think does matter. Where they draw historical analogies and identity is important. Many of the ideas that propelled the post-war global order came out of Washington in the heady period of 1945 to 1949. It seems very likely that among the cacophony of voices coming out of Beijing in 2011 are the elements of a Chinese perspective on what a twenty-first century order might be.

China is not on track to rule the world. The world is not for ruling. The real issue is that in a world that pluralists may see as multi-polar and solidarists as multi-centric, China will have greater impact and at a rate that is accelerating rather than slowing. To overcome the fear that this will generate in the USA and other Western countries will demand leadership, open mindedness and the kind of complicated wisdom that books such as these provide.