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Economic Diplomacy

Chinese global governance as a diffusion process

Original Paper

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Abstract

This paper offers a conceptual framework to interpret the diffusion of Chinese global governance. Global governance is identified as a crucial aspect of China's economic statecraft, especially as a means to develop and maintain international trade and investment. The adoption of Chinese global governance norms and rules is conceptualized as a diffusion process in which global governance is the innovation. Diffusion is a spatial-temporal process. Adoption over time is conceptualized as an adoption-curve of early-, mid-, and late adopters. Space is conceptualized as core, semi-periphery, and periphery regions of the capitalist world-economy. The forms of global governance are identified as either the politics of inter-state cooperation or the politics of domestic development. The policy focus of these two types of politics rests on an understanding of hegemony that requires dominance in the fields of manufacturing, trade, and investment. In addition to these economic spheres, global governance must address emerging crises, such as global climate change or war. Combining scales of global governance, the geography of core, semi-periphery, and periphery, and the policy focus of global governance rules and norms produces a 2*3*4 cube of 24 cells. Countries may be situated within one of these cells to understand their alacrity or hesitation in adopting Chinese global governance practices. The conceptual framework is illustrated through three vignettes describing China's relations with Ghana and Zambia, Kazakhstan and Uzbekistan, and Hungary.

Keywords

Global governance • economic statecraft • China • geopolitics • diffusion

The competition between the US and China is a bi-lateral relation that plays a defining role in the landscape of global economic and political relations. Economic actions are just as important as political ones, and hopefully these actions can be managed well enough to avoid military conflict. Increasingly, other countries are being asked to lean towards one way or the other, and that stance may change with the change of government. For example, Brazil's policies have switched from favoring the US during the Bolsonaro and Trump presidencies, to closer interaction with China under Lula. Trade deals, identifying as a "BRI country," accepting Chinese foreign direct investment, and membership of alliances are the most visible economic and political expressions of the competition between the US and China.

The purpose of this paper is to provide a conceptual framework to consider the adoption of Chinese governance rules and norms by other countries. We consider the scope of adoption as a diffusion process in which some countries are more likely to adopt the tenets of Chinese global governance than others. The heuristic nature of this paper proposes a framework in which the likelihood of adoption is a function of the sector of Chinese global governance norms and rules being disseminated (manufacturing, trade, investment, or management of global crises), in which strata of the world-economy a likely adopting country is located (core, semi-periphery, or periphery), and whether the site of governance is domestic development or inter-state cooperation. The underlying mechanism of change is identified as the process of the rise to hegemony that requires a sequence of dominance in the fields of manufacturing, trade, and then investment. By combining the scales of global governance, the geography of core, semi-periphery, and periphery, and the policy focus of global governance rules and norms a 2*3*4 cube of 24 cells is constructed to situate the adoption of a particular focus of Chinese global governance policy within the structure of the world-economy, and the process of hegemony. The purpose is to offer a conceptual framework for further study rather than describing broad empirical patterns and offering firm conclusions.

The contribution of this paper is to frame the actions of China in disseminating rules and norms of global governance as a diffusion process in which the surface of likely adoption is a function of a country's position in the hierarchy of the world-economy and the nature of the rules and norms. The heuristic framework offered adds to the understanding of China's engagement with the world in the form of policy dissemination and adoption by making the spatio-temporal elements of the process an essential element of the analysis.

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The paper begins with a discussion of the concepts of economic statecraft and global governance, and the connections between the two. Following is a brief history of Chinese global governance. Next we offer a conceptual framework to understand the diffusion of global governance as a time-space process within the core-periphery structure of the capitalist world-economy. Our concept of governance is illustrated by vignettes covering the core, semi-periphery and periphery of the world-economy using Hungary, Kazakhstan and Uzbekistan, and Ghana and Zambia as examples.

1 The geopolitics of economic statecraft and global governance

In 1985, a landmark year for the study of economic statecraft, American political scientist David Baldwin published his seminal book, *Economic Statecraft*. Prior to this, the meaning and connotation of economic statecraft were ambiguous and fluid. Baldwin was the first scholar to clearly define and theorize economic statecraft. Almost single-handedly, he constructed a theoretical framework around the concept. In Encyclopedia Britannica's entry on the topic, David Baldwin defined the term as "the use of economic means to pursue foreign policy goals".[1] In his book *Economic Statecraft*, he assigned a more academic defnition to the concept, referring to, "infuence attempts relying on resources which have a reasonable semblance of market price in terms of money".[2]

The essence of David Baldwin's definition of economic statecraft is to convert economic resources to global influence. This resource-influence conversion is probably the biggest challenge for any country to practise effective economic statecraft. Having observed the dialectic relationship between how a nation grows its economic strengths, converts them into global influence, and manages wealth and power during the rise and fall of great powers, Zhang defined economic statecraft as:

The skill, art, strategy, and process of wealth generation, extraction, mobilization, and the two-way transformation of wealth and power by a state's central government for the purpose of acquiring and maintaining great power status.[3]

In Zhang's definition a country defines an outlook on the world that requires foreign engagement through economic means to advance the interests of the country within the inter-state system and to its benefit. Furthermore, the implementation of economic statecraft "is essentially a nations' strategic management of wealth and power, with a view to a dynamic equilibrium between the two."[4] A country engages in economic statecraft to the degree it has the means to do so, with the entwined goals of greater power and wealth. Successful economic statecraft occurs when the means match the intentions of inter-state politics, or there is not an overreach of power unsupported by the economic capacity. Success would increase both power and wealth. Overreach could diminish both. Referring to Paul Kennedy, strategic overexpansion (e.g., encroaching on large territories and expensive wars) can lead to the decline of a great power.[5]

Arts and skills, using Zhang's terms, are useful terms for a definition of economic statecraft across the sweep of history. However, the contemporary situation provides an opportunity to focus upon a more concrete manifestation of the arts and skills of economic statecraft. Engaging the world through economic means, with the purpose of accruing domestic wealth and global power, involves establishing rules for trade and investment, a specific manifestation of global governance.

The topic of global governance emerged as an academic endeavor in the mid-1990's, as part of an expression that humanity had entered a unique moment in history, broadly labeled as globalization. In the first issue of the journal *Global Governance*, Rosenau defined global governance "as systems of rule at all levels of human activity".[6] This may be interpreted as a definition that is more scalar than horizontal, focusing on organization from the scale of the family to non-governmental and inter-governmental organizations. The politics of governance was about control or "relational phenomena that, taken holistically, constitute systems of rule".[7] The relationality of governance was identified as a set of "control mechanisms" that flow within and across systems.[8] These ideas are essential starting points and are vital in understanding the interaction between different institutions (households, countries, IGOs, and NGOs) within the contemporary world. However, a more specific focus is needed when connecting global governance and economic statecraft.

Rosenau's definition was quickly challenged as being too broad to be seen as a concept that could guide inquiry. Finkelstein offered his own definition: "Global governance is governing, without sovereign authority, relationships that transcend national frontiers. Global governance is doing internationally what governments do at home".[9] Though the initiators of global governance may be any political entity (state or non-state), Finkelstein implies that global governance is something that enters other

1 *Baldwin, D. A. Economic Statecraft. Britannica, see www.britannica.com/topic/economic-statecraft*
2 Baldwin, D. A. (1985). *Economic Statecraft.* Princeton, NJ: Princeton University Press, pp. 13–14.
3 Zhang, X. (2024). *New Economic Statecraft: China, the United States and the European Union*. Routledge, p. 17.
4 Zhang, X. (2024). *New Economic Statecraft: China, the United States and the European Union*. Routledge, p. 17.
5 Kennedy, P. (2013) "Introduction", *The Rise and Fall of Great Powers* (Part 1) (in Chinese). Beijing: Citic Press.
6 Rosenau, J.N. (1995). "Governance in the twenty-first century, *Global Governance* 1995 1(1), p. 13.
7 Rosenau, J.N. (1995). "Governance in the twenty-first century, *Global Governance* 1995 1(1), p. 14.
8 Rosenau, J.N. (1995). "Governance in the twenty-first century, *Global Governance* 1995 1(1), p. 15.
9 Finkelstein, L.S. (1995). What is global governance?, *Global Governance* 1(3), p.369.

sovereign spaces; or the ability to generate flows of the mechanisms of governance that alter the domestic politics of other countries. It is not a great leap to assume two things: states are key initiators of these flows, and they create and manage these flows for their advantage.

Hence, the politics of global governance are similar to the mechanisms of economic statecraft. A country may try to define its own set of rules and norms that underpin the tentacles of investment and trade relations, and the political ties that they create. Once defined, the country will try to get as many countries as possible, or beneficial, to adopt these norms and rules. The greater the number of countries that adopt these rules, the greater the scope of this form of global governance. Hence, to meet Rosenau's and Finkelstein's definition of global governance, not all parts of the globe need be within the scope of the flow of governance as a control mechanism. The "global" in governance is the ability to infiltrate the sovereign rule of another country – the more countries whose sovereignty is compromised (willingly or unwillingly) the more global the scope of global governance. With specific reference to economic statecraft, global governance is the flow of mechanisms of control that enhance the wealth and power of the disseminating country.

The initiation and maintenance of flows of global governance by one country to increase its power, both in an absolute and relative sense, means that global governance when initiated by states towards states is not about the collective good or an attempt to tackle problems facing humanity; rather it is a matter of geopolitics. That begs the question, what is geopolitics? Geopolitics is the mutual construction of politics and geographical entities, namely territories, networks, regions, and places.[10] The politics of accruing wealth and power, the essence of economic statecraft, requires the flow of the mechanisms of global governance through networks of diplomatic influence.

The successful construction of such networks of influence will enable other flows across networks of investment and trade. In turn, these flows will transform places as their economic structure changes. In aggregation, the transformation of places within a country has the potential for changing the national economic structure and trajectory. This process is what is commonly known as "development," but is more accurately conceptualized as maneuver within an inherently unequal world-economy.[11] The connections between sovereign territorial spaces, or countries, is inevitably relational. China's goal is to develop these relational networks within its strategy of economic statecraft.[12] Such geopolitics of economic statecraft is intended to enhance China's power and wealth. Other countries may or may not participate in these flows, and if they do, they may or may not gain power and wealth themselves.[13]

Of course, China is not the only large economy enacting economic statecraft. Hence, the diffusion of global governance flows is a competitive process with a resulting geography in which some countries and regions tend to adopt the rules and norms of one country rather than another. The flows of control across political entities that are the global governance enabling China's economic statecraft are relations that enable collaboration and connection. In aggregation, shared global governance between countries can create blocs that are the geopolitics of membership of inclusion; necessarily creating geopolitics of exclusion. Hence, the global governance norms and rules being disseminated by China are re-shaping the global geopolitical landscape as part of a geopolitical transition.[14]

The flows of the mechanisms of global governance, especially those related to economic statecraft, is a diffusion process. The rules and mechanisms of global governance are a form of power, or the ability to have other countries adopt procedures that may or may not benefit everyone but are certainly designed to benefit the one country the most. Country-specific rules of global governance are a form of innovation that are adopted to varying degrees across the global landscape. To understand this process requires considering the framework of spatial diffusion.

2 Brief history of Chinese global governance

China's engagement with global governance can be traced back to 1949, when the People's Republic of China was founded. In the 1950s, during the height of the Cold War, China leaned towards the Soviet Union and joined international organizations created and led by the USSR, such as the World Federation of Democratic Youth, the International Union of Students, and the Women's International Democratic Federation. China also joined the Warsaw Pact Organization as an observer. The 1960s witnessed China's diplomacy sliding into isolation as a result of "fighting on two fronts", the Soviet Union and the US. China labeled the US as practicing imperialism while calling the Soviet Union revisionist.

The 1970s witnessed China's rapprochement with the United States and the implicit alliance between China and the US against

10 Flint, C. (2022). *Introduction to geopolitics*. Routledge, p. 35.

11 See: Chang, H-J. (2009) *Bad samaritans: The myth of free trade and the secret history of capitalism*. Bloomsbury; Flint, C. and Dezzani, R. (2018). State maneuver in the capitalist world-economy: A political geography of contextualized agency. *Environment and Planning A* 50(8), 1580-1601; Reinert, E.S. (2019). *How rich countries got rich…and why poor countries stay poor*. Public Affairs.

12 Maçães, B. (2018). *Belt and road: A Chinese world order*. C. Hurst & Co.

13 Flint, C. and Waddoups, M. (2021). South-South cooperation or core-periphery contention?, *Geopolitics* 26(3), 889-918.

14 Taylor, P.J. (1990). *Britain and the Cold War: 1945 as geopolitical transition*. Pinter.

the Soviet Union. China's former Foreign Minister HUANG Hua was quoted as saying, "by winning the U.S. to our side, we can concentrate all our forces to deal with the arch-enemy – revisionist Soviet social-imperialism. [15]" During this decade, China's biggest step in participating in the multilateral organizations was that, in 1971, China resumed its legal status in the UN, which was seen as a big victory of China's diplomacy. Since then, China started to play a quite visible role in the UN by actively promoting the rights and interests of the Third World. As Kim said, during much of the 1970s, the most dominant value in Chinese global policy was oriented toward a protracted struggle to weaken the strong and the rich and to strengthen the weak and the poor in the global community[16]. China firmly advocated the "Five Principles of Peaceful Coexistence[17]", "All Nations as equals", supported the establishment of the new international economic order (NIEO), building the zones of peace and non-nuclear zones, and supported the proposal initiated by the developing countries in Latin America to allow the establishment of the 200 sea-mile exclusive economic zones. Kim described China's participation in the UN during the 1970s as "system reforming," in contrast to "system transforming" in the 1950s and 1960s, and "system maintaining" in the 1980s[18]. In summary, China's resumption of its status in the UN represented a significant step forward since it was the first time that China started to practice multilateralism in a truly global multilateral organization.

Since 1978 when China started its reform and opening-up, China's relationship with international organizations entered into a new period, which is evidenced by an increasing number of international organizations that China joined in and the increased enthusiasm and quality of China's participation. In April and May 1980, China respectively resumed its membership in the International Monetary Fund (IMF) and the World Bank and applied to resume its membership in the GATT in 1986.

Since the end of the Cold War, the pace of China's participation in international organizations has been accelerated. In 1992, the Report of the 14th National Congress of the Communist Party of China pointed out that China gave great attention to the role of the UN and actively participated in the affairs of the UN, and that China supported the positive role of the UN and its Security Council in maintaining world peace, advancing the process of arms reduction, promoting world development and resolving the international disputes. In 1997 and in 2002, the Reports of the 15th and the 16th National Congress of the Communist Party of China pointed out that China should actively participate in the multilateral diplomacy, and maximize participation in the UN and other international organizations. If we compare the reports of the 14th with the 15th and 16th Report, we can see that China's multilateral diplomacy expanded from the UN to other international organizations and that China's role developed from supporting the UN to maximizing its own role in the UN and other international organizations[19]. In 1990s, China had become a member of the majority of inter-governmental international organizations[20]. By the end of 2003, China had joined altogether 268 international conventions and all the important international organizations, including inter-governmental organizations and a large number of NGOs[21]. China even joined in the Comprehensive Test Ban Treaty (CIBT), Non-proliferation Treaty (NPT), Chemical Weapons Treaty (CWC) and other conventions with a relatively strong binding, which may entail direct consequences on China's interests. In 2001, China joined the World Trade Organization. After 2003, in order to respond to US's trend towards unilateralism, China started in advocating multilateralism by saying that "multilateralism is an important means to solve international disputes, the strong guarantee for a positive development of the globalization and the best way in advancing the greater democracy and the rule of law in international relations[22]" and that "multilateralism is the only choice in solving global issues and fits in the trend of our times.[23]"

Although China had been increasingly active in global governance, it was not until 2008, during the post-Global Financial Crisis period, that China began to emerge as a power in global governance and started to disseminate its rules and norms. The diffusion of China's approach to global governance can be divided into two phases. The first phase occurred during the second term of President Hu Jintao, and the second phase encompasses President Xi Jinping's tenure.

15 Hsiung, James C. and Kim, Samuel S., *China in the Global Community*, eds., Praeger Publishers, New York, 1980, p.221.
16 Hsiung, James C. and Kim, Samuel S., op. cit, p. 218.
17 The Five Principles of Peaceful Coexistence first appeared in the 1954 Sino-Indian Agreement on Tibet and were the basis of the Bandung Ten Points adopted by the Asia-African Conference (Bandung Conference) of April 1955. The Principles are mutual respect for each other's sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. See, Bruce D. Larkin, China and the Third World in Global Perspective, Hsiung, James C. and Kim, Samuel S., *China in the Global Community*, eds., p. 66.
18 Kim, Samuel., "China and the United Nations", in Oksenburg and Economy, *China Joins the World: Progress and Prospects*, eds., New York: Council on Foreign Relations, 1999, pp. 45-46, p. 47.
19 ZHANG Qingmin, the Analysis of the Characteristics of China's Participation in Multilateral Diplomacy after the Cold War, *International Forum*, Vol. 8 No.2, March 2006, p. 58.
20 Ibidem.
21 WANG Mingsheng and LI Changchun, the Implications and the Significance of Multilateralism upon China, *International Studies*, Vol. 1/2006.
22 LI Zhaoxing, China's Foreign Minister, Keynote Speech in the ASEM, *Ministry of Foreign Affairs*, 17 April, 2004, http://www.fmprc.gov.cn/chn/zxxx/t85514.htm
23 WANG Yi, Vice Foreign Minister of China, Advancing the Development of Multilateralism and Promoting the Process of Multipolarity, *Ministry of Foreign Affairs*, 19 August, 2004, http://www.fmprc.gov.cn/chn/gjwt/gjrdwt/t151070.htm

2.1 *Post-Global Financial Crisis (2008-2012)*

It was during and immediately after the global financial crisis that the Chinese government led by President Hu Jintao started to realize there was a strong need to reform the existing global governance system. Hu Jintao's keen interest in reforming the global economic governance system stemmed from the response to the global financial crisis. The global financial crisis of 2008 exposed numerous weaknesses and problems in the current international financial system and global economic governance structure. As the leader of China, Hu Jintao understood that reforming the global economic governance system was an effective way to address and prevent similar crises.

After the outbreak of the financial crisis in 2008, until stepping down in 2012, Hu Jintao continually pushed for the reform of global governance. Hu Jintao proposed at the Central Economic Work Conference in 2010 that "it is necessary to accurately grasp the characteristics of the world economic governance mechanism entering a period of transformation, striving to enhance our country's ability to participate in and guide this process". [24]

Zhou Xiaochuan, the then Chinese central bank governor, proposed a "super-sovereign international reserve currency", reflecting China's aspirations and dissatisfaction with U.S. dollar hegemony. Chen Deming, the then Chinese Minister of Commerce, also advanced rule reconstruction in response to the global financial crisis, later summarized in his book "Economic Crisis and Rule Reconstruction".[25]

However, Hu's economic statecraft achieved very limited success, leading to frustrations among Chinese policy elites after his tenure. This paved the way for Xi Jinping's new economic statecraft approach to global governance.

2.2 *Xi Jinping's Era (2012-)*

Xi Jinping has championed China's new economic statecraft, exemplified by numerous ambitious projects: the Belt and Road Initiative (BRI), the Asian Infrastructure Investment Bank (AIIB), Bilateral Investment Treaties (BITs) with both the EU and the USA, and the Regional Comprehensive Economic Partnership (RCEP). Xi is the first Chinese leader since Mao Zedong to actively seek to transform China's accumulated national wealth into a prominent position on the world stage.

To pursue China's Great Rejuvenation, Xi started to implement the "Major-Country Diplomacy with Chinese Characteristics" ("中国特色大国外交"). In 2014, Xi Jinping first proposed at the Central Foreign Affairs Work Conference that China must have its own major-country diplomacy, which should embody distinctive Chinese features, Chinese style, and Chinese grandeur in its foreign affairs work. In 2017, Xi explicitly stated in the report of the 19th National Congress of the Communist Party the need to "comprehensively advance China's major-country diplomacy with Chinese characteristics," and incorporated it into the guiding ideology and strategic deployment for adhering to and developing socialism with Chinese characteristics in the new era.[26]

Against this background, Xi Jinping proposed the "Belt and Road initiative" (BRI). Xi pointed out that the construction of the "Belt and Road" is a major strategic move for China to expand its opening-up to the outside world and is the top-level design of its economic diplomacy. It serves as the master plan for China's external opening-up and cooperation for a considerable period in the future, and it is also China's proactive approach in promoting the reform of the global governance system. [27]

The Chinese policy elites are fully aware that China's weight in the world-economy and global governance has risen rapidly, but the issue of being a large yet not strong economy remains prominent. The transformation of China's economic strength into international institutional power still requires strenuous effort. China's opening-up has entered a more balanced stage of both bringing in and going out, but the systems and forces supporting high-level opening-up and large-scale outward development still appear weak.[28]

In Xi's foreign policy thoughts, the most important concept is his philosophy of the "community of shared future for mankind". This idea was introduced shortly after Xi became the President of China. He delivered a keynote speech in Moscow in early 2013, stating, "In this world, the degree of interconnection and interdependence among nations has deepened unprecedentedly. Humanity lives in the same global village, in the same space-time where history and reality converge, increasingly becoming a community of shared fate where each is part of the other."[29]

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24 Hu Jintao, "Accurately Grasping the New Characteristics of World Economic Development—Speech at the Central Economic Work Conference" (December 10, 2010), Selected Works of Hu Jintao (Volume 3), People's Publishing House, 2016, p. 457.

25 Chen Deming, Economic Crisis and Reconstruction of Rules, The Commercial Press, 2014.

26 Wang Yi, "Fully Advancing Major-Country Diplomacy with Chinese Characteristics," People's Daily (Important News Section), November 8, 2022.

27 Zhong Shan, "Achieving New Development, Enhancement, and Breakthroughs in Commercial Affairs — A Deep Study of General Secretary Xi Jinping's Important Thoughts on Economic Diplom(acy)," Qiushi Journal, 2017, Issue 18, Pages 22-24.

28 Central Propaganda Department of the Communist Party of China, "Reader of General Secretary Xi Jinping's Series of Important Speeches" (2016 Edition), Study Press and People's Publishing House, 2016, Page 135.

29 Xi Jinping, "Adapting to the Progressive Trends of the Times and Promoting World Peace and Development — Speech at the Moscow State Institute of International Relations" (March 23, 2013, Moscow), Xinhua News Agency, available at: https://www.gov.cn/ldhd/2013-03/24/content_2360829.htm

During his second term (2017-2022), Xi Jinping systematically elaborated his vision of the "Community of Shared Future for Mankind." Xi frequently posed the question, "What has happened to the world and how should we respond?" He answered by stating that China's proposition is to build a community of shared future for mankind and achieve shared and win-win development. [30] Furthermore, he stated, "I proposed the Belt and Road Initiative to put into practice the concept of a community with a shared future for mankind."[31]

President Xi Jinping most systematically expounded the concept of a "Community of Shared Future for Mankind" at the 19th National Congress of the Communist Party of China (CPC) on October 18, 2017. In his report, Xi emphasized the importance of building a community of shared future for mankind and explicitly made it one of the overarching goals of China's foreign affairs work. He proposed that China would actively participate in the reform and construction of the global governance system, promote the building of a new type of international relations, and enhance the common development of all countries, striving to make new and greater contributions to humanity. This exposition is considered the most comprehensive and systematic articulation of the concept, marking it an important guiding principle of China's foreign policy.

President Xi's concept of the "Community of Shared Future for Mankind" is now increasingly expressed in China's bilateral relations with the BRI countries such as Serbia. During Xi's visit in Serbia in May 2024, the leaders of both countries unanimously agreed to build a community of shared destiny for the new era between China and Serbia. President Xi Jinping noted that the staunch friendship between China and Serbia has withstood the tests of international vicissitudes, possessing deep historical roots, a firm political foundation, broad common interests, and solid public support. China is willing to share prosperity and hard-times with Serbia, pursuing the development and revitalization of their respective nations together. President Xi also announced the initial practical measures supported by China for the construction of the China-Serbia community of shared destiny, demonstrating China's commitment to deepening and enhancing the comprehensive strategic partnership with Serbia.[32]

Wang Yi, China's Foreign Minister, said that China and Serbia's building of a new-era community of shared destiny represents a breakthrough in the construction of such communities in Europe. It is not only a sublimation of the staunch friendship between China and Serbia but also showcases the shared values of both sides. It will undoubtedly become a new milestone in the history of China-Serbia relations, helping both countries to accelerate their modernization processes and further expanding the vivid practice of building a global community of shared human destiny.[33]

The example of China-Serbia relations shows how Xi Jinping has been persistent in advocating for his concept of reforming the global governance system, reflecting his vision for China's role. He has stated, "We must uphold justice and fairness to address the governance deficit. Global hotspots emerge one after another continuously, and non-traditional security threats such as climate change, cybersecurity, and refugee crises continue to spread. Protectionism and unilateralism are on the rise, challenging the global governance system and multilateral mechanisms." He has emphasized the need for a global governance vision based on consultation, co-construction, and sharing, insisting that "global affairs should be managed through consultation among the peoples of all countries, and we should actively promote the democratization of global governance rules." Xi has also underscored the importance of multilateralism, "We must continue to uphold the United Nations as the banner of multilateralism, fully leveraging the constructive roles of the WTO, IMF, World Bank, G20, and the EU in global and regional multilateral mechanisms, collectively pushing forward the building of a community with a shared future for mankind."[34]

By illustrating the history of China's engagement with the global governance system since 1949, it becomes evident that China has increasingly participated in and even shaped this system, particularly since Xi Jinping took office in 2012. It took more than sixty years for China to gain the confidence and develop concrete methods to shape this global system. Our goal is to conceptualize the diffusion of China's global governance across the structural hierarchy of the capitalist world-economy.

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30 Xi Jinping, "Work together to build a community of shared future for mankind", Speech at the United Nations Office at Geneva, Geneva, 18 January 2017, Xinhua News Agency, available at: http://subsites.chinadaily.com.cn/cidca/2017-01/18/c_259511.htm

31 Xi Jinping, "Keynote Speech at the High-Level Dialogue Between the Communist Party of China and World Political Parties held in Beijing on December 1, 2017," in "Xi Jinping on the 'Belt and Road'" (2023 Edition), Central Documentation Publishing House, Page 200.

32 Ministry of Foreign Affairs of China, "A Successful Journey of Inheriting Friendship, Promoting Unity, and Opening up the Future - Member of the Political Bureau of the CPC Central Committee and Minister of Foreign Affairs Wang Yi Discusses President Xi Jinping's State Visits to France, Serbia, and Hungary," May 11, 2024. For details, see: https://www.fmprc.gov.cn/zyxw/202405/t20240511_11303231.shtml

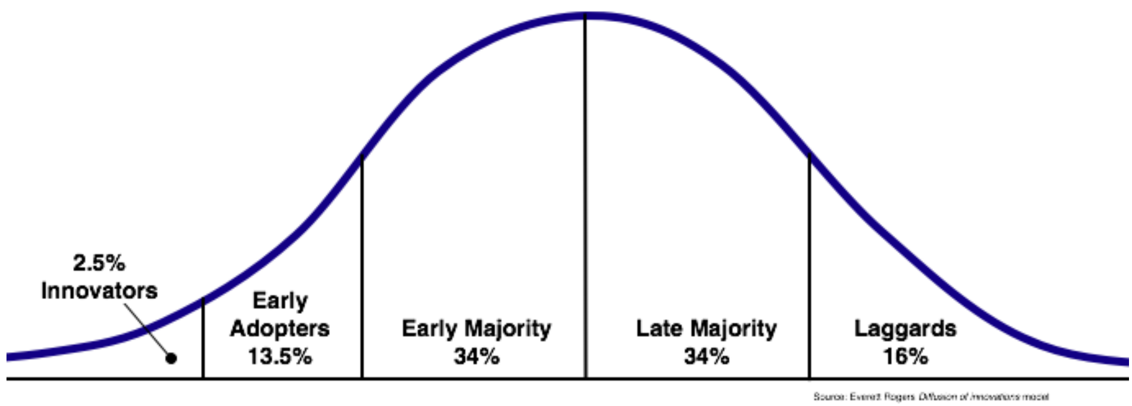
33 Ministry of Foreign Affairs of China, "A Successful Journey of Inheriting Friendship, Promoting Unity, and Opening up the Future - Member of the Political Bureau of the CPC Central Committee and Minister of Foreign Affairs Wang Yi Discusses President Xi Jinping's State Visits to France, Serbia, and Hungary," May 11, 2024. For details, see: https://www.fmprc.gov.cn/zyxw/202405/t20240511_11303231.shtml

34 Xi Jinping, "Jointly Strive to Take Control of Humanity's Future in Our Own Hands - Xi Jinping's Speech at the Closing Ceremony of the Sino-French Global Governance Forum Held in Paris, France, on March 26, 2019," in "Xi Jinping on the 'Belt and Road'" (2023 Edition), Central Documentation Publishing House, Pages 241-242.

3 The mechanisms and landscape of diffusion

The diffusion of the Chinese global governance is a process of extra-territorialization: A sequence in which China has moved from focusing on governing within its own territory to being able to influence forms of government and governance in other countries. This can also be seen as a process in becoming a type of sovereignty regime.[35] China has transitioned from an imperialist state, in which government of Chinese territory was enacted by external countries, to a classic state in which territorial sovereignty was consolidated, to become a globalist state, heavily involved in global networks from a position of strength.
In a diffusion process an innovation is adopted in a temporal-and spatial process. Temporally, the classic model predicts an S-shaped curve of adoption: a few early adopters, then mass adoption, and then a few laggards.[36] The S-shape is used to portray the cumulative adoption of an innovation over time. The early adopters are relatively small in number, but the period of mass adoption rapidly increases the take-up of an innovation. Finally, the number of late adopters is relatively small, but add to the total number of adopters. For example, electric vehicles were originally purchased by a few. The early adopters signaled the vialbility of the product to many peple, the mass adopters, whose purchases increased the total number of electric vehicles on the roads. Probably, a subsequent period will be when a relatively small number of late adopters will add to the total amount of electric vehicle purchases. The S-curve model can also be portrayed as a bell-shape adoption-curve showing the relative size of adopters across the process (Figure One).
Spatially, the relevant processes are a) contagious diffusion, or neighbor-to-neighbor and b) hierarchical diffusion (major nodes (cities or states) first and then down the urban or state-system hierarchy.[37] The flu diffuses in a contagious manner and new fashions diffuse hierarchically; though of course there is a combination of both – contagious diffusion within major cities and then more minor cities, etc. The temporal-spatial dynamics of the diffusion process requires us to theorize 1) how do we understand moments in the adoption-curve within political economy processes and 2) how do contagious and hierarchical processes interact over the course of the curve.

Fig. 1. The Diffusion Process as a Bell-Shaped Curve[38]



Source: Adapted from https://commons.wikimedia.org/wiki/File:DiffusionOfInnovation.png. Permissioin granted to use and adapt under the HYPERLINK "https://en.wikipedia.org/wiki/en:GNU_Free_Documentation_License"GNU Free Documentation License, Version 1.2 or any later version published by the HYPERLINK "https://en.wikipedia.org/wiki/en:Free_Software_Foundation"Free Software Foundation.

In sum, thinking about global governance as a diffusion process requires us to think of 1) innovators and adopters, 2) time and, 3) space.

3.1 *The Innovation*

In the diffusion literature an "innovation" refers to any new phenomena that may be adopted, willingly or not.[39] For example, new forms of music, or technology, or disease, or forms of governance. For our purposes we can think of the global governance of economic statecraft as an innovation with two separate but related forms: 1) domestic focused politics such as education

35 Kuus, M. and Agnew, J. (2008). Theorizing the state geographically: sovereignty, subjectivity, territoriality. In K.R. Cox, M. Low, & J. Robinson (Eds.), *The SAGE handbook of political geography* (pp. 117-132). SAGE publications.
36 Gould, P. (1969). *Spatial diffusion. Resource paper No. 4.* Association of American Geographers.
37 Morrill, R., Gaile, G., & Thrall, G. (1988). *Spatial diffusion.* Sage Publications.
38 https://commons.wikimedia.org/wiki/Commons:GNU_Free_Documentation_License,_version_1.2. https://creativecommons.org/licenses/by-sa/3.0/
39 Brown, L.A. (1981). *Innovation diffusion: A new perspective.* Metheun, p. 50.

and health policies, and 2) foreign policy of investment, trade, and security. Governance of global crises such as global climate change and migration would also be internationally oriented. Admittedly, this conceptualization is a false binary as we cannot create a clear distinction between domestic and international politics. For example, education and health policies are partly a function of immigration politics and economic growth tied to trade and foreign investment. However, a conceptual framework with a heuristic purpose requires some sort of categorization, if we realize such classifications are meant to give insight into general processes that enable exploration of more complex and context-specific politics and outcomes.

The categories of domestic- and foreign-oriented policies are a simple way of identifying governance initiatives and roles that 1) promote and enable exchange and cooperation between two or more states and 2) are directed at change within countries, or "development" broadly speaking. The purpose of the first set of initiatives is to build and maintain exchanges between countries, in this case, Chinese-led trade and investment.[40] The second set of initiatives is mainly about the development politics of *other* countries; though these initiatives are often framed by China as the beneficial outcomes of growing connections with China, or the result of China's economic statecraft and the necessary flows of global governance. We classify the two types of innovations as 1) the politics of inter-state cooperation and exchange and 2) politics of domestic development. These innovations, separated for heuristic reasons, are summarized in Table 1.

Table 1. Examples of inter-state and domestic global governance

	Examples
Politics of inter-state cooperation & exchange	China's support of Ghana's and Zambia's participation in the African Continental Free Trade Area and the China International Import Expo.
Politics of domestic development	Chinese sponsored art festivals and teaching of Chinese language and history in secondary schools.

In terms of the innovations, or the actions of China in creating new expressions of global governance, we can expect that:

- There will be very new innovations in global governance because of the form of new technologies (AI and cyber).
- There will also be the need to maintain or re-fresh existing forms of global governance as issues of trade and migration, for example, will stay largely the same.
- And there will be brand new challenges that may require new and previously unthought of forms of governance, i.e. global climate change, unprecedented numbers of migrants, or new forms of weaponry and warfare.

These three expressions of innovations will take the form of both inter-state and domestic politics. For example, AI could appear simultaneously as a matter of governance in education and as a matter of security governance. See Table 2.

Table 2. Examples of new innovations in the interstate and domestic spheres

	New Technologies	Continuing Issues	New Crises
Politics of inter-state cooperation & exchange	Standardization and use of Renminbi in trade	Agricultural trade	Shanghai Cooperation Organization (new geopolitical world order)
Politics of domestic development	Mining and infrastructure development	Education and culture	Green/sustainable technology

3.2 *Time*

The adoption-curve of the diffusion process is based upon the relative eagerness or reluctance to adopt a new innovation.[41] Some adopters are seen as more willing to embrace new innovations, while others prefer to see the outcome of prior adoptions before they make a decision. For example, some people are very willing to wear new fashions, while others only adopt once a new fashion has become common-place. This process rests upon a mechanism of preference at the individual, institutional or state scale.[42]

The process does not consider the political-economic context within which the adoption decision is made. To understand China's role in global governance as a diffusion process, time and space must be theorized as a dynamic political economic landscape.

40 Zhang, X. and Flint, C. (2021). Why and whither the US-China trade war?: Not realist 'traps' but political geography 'capture' as explanation. *Journal of World Trade* 55(2), 335-358.

41 Gould, P. (1969). *Spatial diffusion. Resource paper No. 4.* Association of American Geographers.

42 Cox, K. (1969). The voting decision in a spatial context. *Progress in Geography* 1(1), 81-117.

A temporal metric is needed to conceptualize the diffusion of global governance mechanisms as part of economic statecraft, that is a competitive and relational aspect of global politics. Simply using months and years is arbitrary. Instead, the temporal process of the diffusion of global governance is conceptualized by using the sequence of economic change within world-systems analysis. The key temporal dynamic is cycles of hegemony that are connected to the emergence of new technologies and periods of global economic growth and stagnation.[43] The economic engine of geopolitics is the sequence of Kondratieff cycles in which a twenty-five-year period of economic growth is fueled by the emergence of a new technology. However, contradictions of growing supply but limited demand result in a twenty-five-year period of global economic stagnation and political restructuring. The sequence of British hegemony in the nineteenth century and US hegemony in the twentieth century has been linked to the sequence of Kondratieff cycles. Over a period of two consecutive Kondratieff cycles (100 years) a country becomes a hegemonic country in a sequence in which the emerging hegemon gains global dominance in production, then trade, and then finance. [44] Though interpretation of the present and ongoing is difficult, and should be approached with caution, through the Kondratieff cycle model, there are many indications that we are in a geopolitical moment in a process of US hegemonic decline and Chinese hegemonic rise. Notably, China has become the world's dominant producing and trading country. The conceptualization of the sequence within the inter-state and domestic spheres is summarized in Table 3.

*Table 3. 2 * 3 conceptualization of the politics of inter-state cooperation & exchange /politics of domestic development within each of the three sequences*

	Production	Trade	Finance	Global Crises
Politics of inter-state cooperation & exchange	International standardization	Trade agreements	Use of Renminbi	Cooperation on climate change and security issues
Politics of domestic development	Mining and infrastructure development	Change in economic structure of a country due to new trade relations.	Adoption of Renminbi by domestic companies	Domestic impacts of climate change

Another arena or imperative for global governance exists outside the economic factors of Kondratieff cycles. Namely, global crises such as global climate change, COVID-19, and arms races or impending war. In combination, that results in four policy spheres: production, trade, finance, and crises. The crises could emerge at any moment in Wallerstein's sequence, but an emerging power is likely to only gain traction to enact crises governance at the latter stages of the sequence.

Conceptualizing the adoption-curve of adoption within the geopolitics of hegemonic competition leads to the expectation that China will have a need and desire to innovate by engaging in global governance pertaining to first production, then trade, and then finance. Within each of these political economic phases we would expect there to be the pattern of early adopters, mass adopters, and laggards.

The emergence of new global governance mechanisms in the context of an existing hegemonic power (US) is a form of contestation and so needs to be negotiated by the emerging power (China). Hence the choice of trying to diffuse politics of domestic development or politics of inter-state cooperation and exchange, and where to do so, is a tactical matter. China will be seeking to diffuse new forms of global governance with the least push-back from the US. Hence, it will pick particular spaces in which it seeks adoption, while considering that certain policy spheres will become imperative in a temporal process.

3.3 *Space*

We can think of the geography over which the diffusion process occurs in terms of physical and hierarchical spaces. If we see global governance through a process of contagious diffusion over physical spaces then we would expect some sort of distance decay pattern in both politics of domestic development and politics of inter-state cooperation and exchange. The US and China have their own "backyards": Monroe Doctrine and the Middle Kingdom. This is a very simple geography and relies on the idea of contagious diffusion. It will have some value but is unlikely to get to the real political geography of the process. In this paper, we conceptualize space not as distance but as a landscape of likely adoption of Chinese global governance innovations depending upon a country's position within the core-periphery hierarchy of the world-economy.[45] Subsequent analyses and discussions

43 Flint, C. and Taylor, P.J. (2018). *Political geography: world-economy, nation-state, and locality, seventh edition.* Routledge, pp. 23-25.
44 Flint, C. and Taylor, P.J. (2018). *Political geography: world-economy, nation-state, and locality, seventh edition.* Routledge, pp. 59-61.
45 See: Wallerstein, I. (1979). *The capitalist world-economy.* Cambridge University Press, pp. 66-94; Chase-Dunn, C. (1989). *Global formation.* Blackwell, p. 25.

would need to integrate both the hierarchical landscape of the diffusion process as well as contagious diffusion processes that mat be occurring within regions close to China (especially southeast Asia) and those further away (such as diffusion across African countries that are neighbors).

In this paper we focus upon the diffusion of global governance through a process of hierarchical diffusion through the inequities of the hierarchy of the capitalist world-economy. The world-systems approach identifies inherent and persistent differences in economic wealth at national and local scales, and the consequent geography of disparities in individual life-chances.[46] The differences are seen as a relational operation of two sets of economic processes.[47] Core processes are related to technologies that are high profit and high wage production processes that allow for high levels of consumption and life chances. In contrast, peripheral processes are related to production processes that are low profit and low wage, with consequent low levels of consumption and life chances. These processes tend to cluster within countries that allows for the classification of countries as core if core processes predominate in the national economy, and peripheral in the opposite case.[48] Countries in which there is some relatively even mixture of core and peripheral processes are identified as the semi-periphery. The core-periphery relation is necessary and exploitive through a mechanism of unequal exchange. Simply, if a country wants to maneuver and better its position in the core-periphery hierarchy (as China has one in the past 50 years or so) then it needs to capture emerging core processes, and to do so it must generate trade and investment relations with peripheral processes.[49] Hence, the flows of global governance,[50] as an outcome of economic statecraft[51] will be diffused across the unequal landscape of the core-periphery hierarchy of the world-economy.

The diffusion of global governance is a competitive or geopolitical process. The core consists largely of allies of the existing hegemon (US) and will therefore be hesitant to cooperate with China as it tries to project its geopolitical influence. However, these countries are aware of the new global economic landscape as new core processes emerge and will see that these new technologies and the new geography of states capturing new core processes will require engaging a new global governance regime. Countries in the periphery may be more open to new relationships with the emerging power and so more willing to partner in new global governance initiatives. But perhaps they will embrace politics of domestic development before the politics of inter-state cooperation and exchange to reduce tensions with the current hegemonic power. See Table 4 for some examples.

*Table 4. Policy examples within the 2 * 3 conceptualization of the domestic and inter-state spheres across the core, semi-periphery, periphery*

	Core	Semi-periphery	Periphery
Politics of inter-state cooperation & exchange	Building Comprehensive Strategic Partnership (with the EU and many EU member states, including France, Germany, Italy, Spain and Hungary)	Building Community of Shared Future for Mankind, Global Initiatives of Development, Civilization and Security, Free Trade Agreements with countries such as Serbia, RMB internationalization	Building Community of Shared Future for Mankind, Global Initiatives of Development, Civilization and Security, Persistence of unequal exchange/ imbalanced trade agreements
Politics of domestic development	AI, e-commerce, EV,solar panel and other ways of sustainable development	Infrastructure (e.g. Hungary-Serbia Railway), standards, e-commerce, AI, EV standards (e.g. Uzbekistan) and other sustainable development, Growing presence of Chinese language and culture	Infrastructure (railway, ports), standards, e-commerce, AI, EV and other sustainable development, Growing presence of Chinese language and culture

46 Frank, A-G. (1998). *ReOrient: Global economy in the Asian age*. University of California Press, p.4.

47 See: Babones, S. (2009). *The international structure of income.* VDM verlag; Dezzani, R. (2001). Classification analysis of world-systems regions. *Geographical Analysis* 33(4), 330-352; Dezzani, R, (2002). Measuring transition and mobility in the hierarchical world-economy. *Journal of Regional Science* 42(3), 595-625.

48 Wallerstein, I. (1983). *Historical capitalism*. Verso, pp. 49-55.

49 See: Flint, C. and Dezzani, R. (2018). State manuever in the capitalist world-economy: A political geography of contextualized agency. *Environment and Planning A* 50(8), 1580-1601; Taylor, P.J. (1994). States in world-systems analysis: Massaging a creative tension. In R.P. Palan, & B. Gills (Eds.), *Transcending the state-global divide* (pp. 107-124). Lynne Reiner.

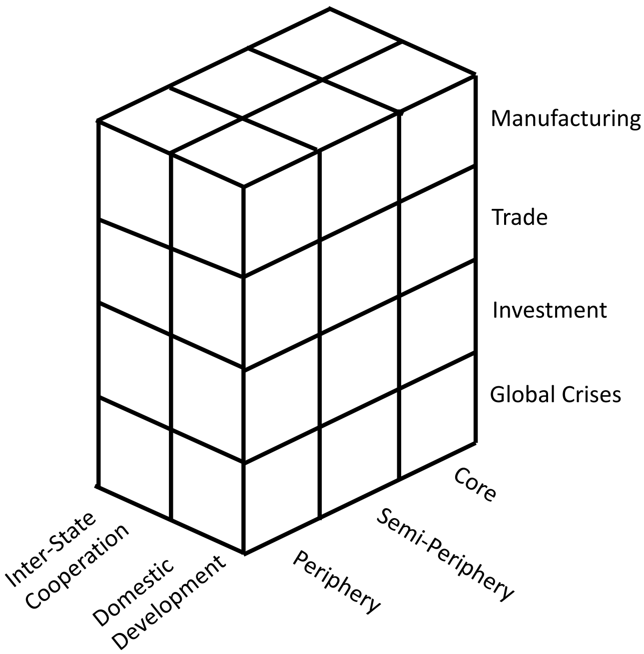
50 Rosenau, J.N. (1995). "Governance in the twenty-first century, *Global Governance* 1995 1(1), 13-43.

51 Zhang, X. (2024). *New Economic Statecraft: China, the United States and the European Union*. Routledge.

4 Three-dimensional landscape

Thinking of global governance as a diffusion process requires conceptualizing a 3-dimensional landscape. Dimension a) politics of inter-state cooperation & exchange and politics of domestic development. Dimension b) policy spheres using Wallerstein's phases of production, trade, and finance plus global crises. Dimension c) the spatial expression of the core, semi-periphery, periphery hierarchy of the capitalist world-economy.
Each cell would reflect whether a particular form of governance (dimension a) is or has been designed and disseminated by China as part of a sequence (dimension b), and is or has been adopted by core, semi-periphery, or periphery countries (dimension c).
As an experiment we can consider the 3-dimensions as a cube of possible policy initiatives and outcomes, or diffusion through proposal and adoption. The two dimensions of politics of inter-state cooperation and exchange and politics of domestic development, the three-tier hierarchy of the world-economy, and a four-way dimension of policy results in a 2*3*4 cube of 24 cells (Figure Two).

Fig. 2. Three-dimensional cube of possible global governance diffusion



One cell would be the combination of politics of domestic development related to trade in a peripheral country, such as Ghana. Another cell would be the combination of politics of inter-state cooperation and exchange related to finance or investment in a core country, Germany for example. Another cell would be the politics of security related to the crisis of global climate change in a semi-peripheral country, Russia or Brazil for example. And so on for all 24 cells.
In other words, we can identify China's interaction with other countries as the offering of an innovation that has been adopted through cooperation and can be classified as politics of inter-state cooperation and exchange /politics of domestic development within the hierarchy of the world-economy, regarding a particular policy sphere. If the cube is to be used deductively, identifying cells within the cube may facilitate "predicting" which countries are likely to fit in particular cells. Or the cube could be used inductively, identifying countries coming on-board with China's governance initiatives and situating them within the cubes as a heuristic exercise.
In sum, the development of China's global governance policies (innovations) must be seen within a landscape of adopters – i.e. other countries – over a process of hegemonic rise of challenge - Wallerstein's production, trade, and finance sequence, with new and intervening crises.
The cube concept allows us to situate particular forms of geopolitical strategies in relation to the whole range of strategies that the cube represents. For example, the cells within the intersection of engagement with core powers through politics of inter-state cooperation and exchange is what commonly known as great power politics, or a very truncated view of "geopolitics"

that rests on the assumptions of classic geopolitics. Alternatively, both forms of politics pertaining to trade and investment in the periphery and semi-periphery zones of the cube would be examples of the politics of the generative sector.[52]

As an ongoing process, we do not claim to make definitive statements about the process of the diffusion of global governance. And we certainly do not make predictions. Instead, we emphasize that the diffusion of Chinese global governance is part of its strategy of economic statecraft, and that is a competitive and geopolitical process. The diffusion of Chinese global governance is, and will continue to be, a contested process. China will experience successes and setbacks in the time-space contexts we have conceptualized. In the following sections we provide some brief vignettes that are simply snapshots of the ongoing diffusion process that help illustrate different spatial contexts and the varying avenues of success for China and likely obstructions to its goals of economic statecraft.

5 Vignettes

Our choice of vignettes to illustrate the diffusion process is based upon illustrating different zones of the cube. Prioritizing the geography of the world-economy in the selection of vignettes ensures a selction of examples across a key variable, an important research design choice when dealing with a small number of cases.[53] The geographic aspect of the framework also enables for clear location of the chosen countries within the 2*3*4 cube as the stage in the process of hegemony and the scope (domestic or international) of global governance is going to be blended rather than readily compartmentalized. Having said that, in small-n studies it is also recommended to keep other variables constant, and so we chose countries that are relatively early in the adoption process.[54] We chose these cases:

1. Zambia and Ghana are the examples for the periphery.
2. Kazakhstan and Uzbekistan exemplify the semi-periphery.
3. Hungary is the example for the emerging core.

5.1 *Examples from the periphery: Zambia and Ghana*

China's interest in engaging African countries in its economic statecraft has been largely in the field of investment, as expected as these are the mechanisms for flows of influence.[55] Yet, though the interaction is international, the outcome is the type of investment that is "doing internationally what governments do at home".[56] For example, the Zambian president Hakainde Hichilema celebrated the international connection with China:

We also acknowledged the establishment of the Zambia - China Economic and Trade Cooperation Zone, the first Chinese overseas Economic and Trade Cooperation Zone in Africa, as well as the first multi - facility economic zone in Zambia. This is an attestation to the strong, all weather, all dimensional, high quality Zambia - China investment ties.[57]

This was echoed by Chinese Ambassador Xiaohui Du who celebrated the flow of investment:

First, the projects related to Zambia mentioned by the Meeting shows that China firmly promotes the China-Zambia relations at the level of China-Africa cooperation. The 750 MW Kafue Gorge Lower Hydro Power Station noted by the Meeting, built by a Chinese company, takes up 22% of Zambia's total electricity generation, turning Zambia into a net electricity exporter.[58]

In many ways, the Chinese overseas Economic and Trade Cooperation Zone in Africa is an innovation in China's international trade statecraft. They are China's new tools for international economic relations with other developing countries, which are not financed out of China's foreign aid budget, but they are subsidized by the Chinese state.[59] China and Africa are jointly creating a new model for international capacity cooperation through economic and trade cooperation. As China's industrial structure upgrades and production factor costs rise, industries such as textiles and building materials are relocating abroad. Africa, with its lower production costs, abundant labor force, and large potential market, can become an important destination for industrial relocation. Currently, China has established 25 economic and trade cooperation zones in African countries including Zambia, Ethiopia, Nigeria, Egypt, South Africa, and Mauritius. These zones facilitate the transfer of Chinese industries to Africa, attracting

52 Ciccantell, P.S. and Bumker, S.G. (2004). The economic ascent of China and the potential for restructuring the capitalisy world-economy. *Journal of World-Systems Research* 10(3), 570-571.
53 King, G., Keohane, R.O., and Verba, S. (1994) *Designing Social Inquiry: Scientific Inference in Qualittaive Research.* Princeton University Press.
54 Ibid.
55 Rosenau, J.N. (1995). "Governance in the twenty-first century, *Global Governance* 1995 1(1), 13-43.
56 Finkelstein, L.S. (1995). What is global governance?, *Global Governance* 1(3), 369.
57 Hichilema, H. (2022). *HH Establishes The Zambia - China Economic And Trade Cooperation Zone.* President HH. 30 September, 2022. presidenthh.com/upndnews/hh-establishes-the-zambia-china-economic-and-trade-cooperation-zone. Accessed January 15, 2024.
58 Xiaohui, D. (2022). "Importance of FOCAC to Zambia." Embassy of the People's Republic of China in the Republic of Zambia. 5 September, 2022. zm.china-embassy.gov.cn/eng/dsxxx/dsjh_132022/202209/t20220905_10762410.htm. Accessed 15 January, 2024.
59 DEBORAH BRÄUTIGAM AND TANG XIAOYANG, *International Affairs* 88: 4 (2012), p. 800.

numerous enterprises from China and around the world, thereby creating substantial tax revenue and employment for the host countries.[60]

The Chinese overseas Economic and Trade Cooperation Zones originated significantly from China's own experiences in building special economic zones and industrial zones within China. Along with the central government, local governments in China helped build infrastructure and created various incentives to attract investments and the flow of technology and talents. Announced by President Hu Jintao at the China-Africa Cooperation Forum in 2006, the overseas Economic and Trade Cooperation Zones have enjoyed rapid growth. They have become an important aspect of China's economic statecraft in Africa, demonstrating China's diffusion of global governance.

Moreover, China has invited Zambia to participate in the China International Import Expo and has encouraged the ambitious African Continental Free Trade Area.[61] Unsurprisingly, as expected by our model of the process of Chinese economic statecraft, is showing ambition to increase trade using the renminbi and reduce African countries' reliance on the US dollar.[62]

The outcome of investment and trade flows is growth in some sectors of the Ghanaian and Zambian economies, partially because of Chinese economic statecraft. For example, Ghana is planning to use the outreach of Chinese economic statecraft to position itself to become "a leading textiles and garments manufacturing hub in Africa" as stated by Yoofi Grant, chief executive officer of the Ghana Investment Promotion Center. "We are talking to Chinese manufacturers to partner with Ghanaians in Ghana to produce textile products. So we need Chinese foreign direct investment in that direction to partner our people in doing that," Grant said".[63] In Zambia, exclusive Chinese demand created the previously non-existent mukula (rosewood)-exporting business.[64]

The diffusion of global governance into the periphery also requires the spread of a certain knowledge of China. President Xi Jinping has expressed his support for the arts through the Silk Road International League of Theaters, the Silk Road International Arts Festival, the International Alliance of Museums of the Silk Road, the Silk Road International Alliance of Art Museums, and the Silk Road International Library Alliance.[65] Such support for the arts was warmly received by Amy Appiah Frimpong, the executive director of the Ghanaian national theater, in an interview conducted by Xinhua, China's official news agency.[66] In Zambia, China has 'subcontracted' with the Zambian government to make Chinese language lessons compulsory in public secondary schools; a development that follows on from the teaching of Chinese history while discussion of Zambian history is limited.[67] Criticism of the growing influence of Chinese culture in Zambia has been critically connected to the diffusion of China's economic statecraft, particularly the official acknowledgment "that Zambians in [the] future will largely be working for Chinese, and not Zambian, employers".[68]

Further contestation of the diffusion of global governance to Zambia and Ghana is evident. In Zambia a "Say No to China" social media campaign, related to the politician James Lukuku, has been used to express dissatisfaction with Chinese investment and infrastructure. These projects have been identified with government corruption. In the words of Laura Miti, head of the non-governmental organization Alliance for Community Action, the details of Chinese loans are "very opaque".[69] The targeting of government actions is also expressed in public sentiment as Zambian newspapers print views that "the Chinese are also messing with our Katunda (a slang word for girls)". [70] Similar sentiments can be found in Ghana. Survey analysis has found that

60 Mei Guanqun, "China-Africa 'Belt and Road' Cooperation Advances to a New Stage, Expands into New Areas, and Develops New Models," Africa Express, February 16, 2023. For details, see: http://www.focac.org/zfgx/jmhz/202302/t20230216_11026151.htm

61 Huaxia. (2023). *Joint statement between the People's Republic of China and the Republic of Zambia on establishing the Comprehensive Strategic and Cooperative Partnership. EnglishNewsCN,* Xinhua. 15 September, 2023. english.news.cn/20230915/a2d84d1722b24f86a91d3da495f868b4/c.html. Accessed 15 January, 2024.

62 Hill, M. (2023). "Bank of China will use Zambia unit to boost Renminbi trade clout." Bloomberg.com. 5 December, 2023. www.bloomberg.com/news/articles/2023-12-05/bank-of-china-will-use-zambia-unit-to-boost-renminbi-trade-clout. Accessed January 15, 2024.

63 Huaxia. (2020). "Interview: Ghana to leverage strong ties with China to boost textiles, garments industry." Xinhua. 6 November, 2020. www.xinhuanet.com/english/2020-11/06/c_139496654.htm. Accessed 15 January, 2024.

64 Cerutti, P.O., Gumbo, D., Moombe, K.B., Schoneveld, G.C., Nasi, R., Bourland, N., and Weng, X. (2018). *Informality, global capital, rural development and the environment: Mukula (rosewood) trade between China and Zambia.* International Institute for Environment and Development.

65 Xi, J. (2023). "Building an open, inclusive and interconnected world for common development." Consulate General of the People's Republic of China in New York. 18 October, 2023. http://newyork.china-consulate.gov.cn/eng/xw/202310/t20231018_11163332.htm#:~:text=The%20BRI%2C%20drawing%20inspiration%20from,build%20a%20new%20platform%20for. Accessed 15 January, 2023.

66 Xinhua (2023). "Chinese-aided national theater enlivens performing arts in Ghana". 3 April, 2023. https://english.news.cn/africa/20230403/e2b9f4ea5cfa4bb5b1b2c7ab70967370/c.html. Accessed 15 January, 2024.

67 Sishuwa, S. (2019). "China, Confucious Institutes and the capture of Africa's future." News Diggers Media. 12 May, 2019. diggers.news/guest-diggers/2019/05/12/china-confucius-institutes-and-the-capture-of-africas-future/. Accessed 15 January, 2024.

68 Sishuwa, S. (2019). "China, Confucious Institutes and the capture of Africa's future." News Diggers Media. 12 May, 2019. diggers.news/guest-diggers/2019/05/12/china-confucius-institutes-and-the-capture-of-africas-future/. Accessed 15 January, 2024.

69 Jalloh, A. and Wang, F. (2019). "Resistance growing to Chinese presence in Zambia." Deutsche Welle (DW).30 April, 2019. www.dw.com/en/resistance-growing-to-chinese-presence-in-zambia/a-47275927. Accessed 15 January, 2024.

70 Jalloh, A. and Wang, F. (2019). "Resistance growing to Chinese presence in Zambia." Deutsche Welle (DW).30 April, 2019. www.dw.com/en/resistance-growing-to-chinese-presence-in-zambia/a-47275927. Accessed 15 January, 2024.

34% of respondents were concerned about the "intractable" nature of Chinese business investment in the country.[71] The broader outcome is the growth of an anti-Chinese populist platform in Ghanaian politics.[72]

As our diffusion model leads us to expect, the landscape of the adoption of Chinese global governance practices will include barriers or constraints. However, the relative weakness of state capacity and the absence of democratic accountability in the periphery will, on the whole, make states accessible to the diffusion of Chinese influence.

5.2 *Example from the semi-periphery: Kazakhstan and Uzbekistan*

Kazakhstan and Uzbekistan, two landlocked countries in Central Asia, serve as good examples of the semi-periphery region. Both are geographically close to China and subject to its influence, especially after the Belt and Road Initiative (BRI) was implemented in 2013. China is the largest trading partner for both countries. However, there are noticeable differences between the two countries in terms of adopting China's norms and standards.

Uzbekistan embarked on a new era after the current president, Shavkat Miromonovich Mirziyoyev, assumed office in December 2016. A similar transition occurred in Kazakhstan; President Kassym-Jomart Tokayev took office in 2019, following the long tenure of the previous president, Nursultan Nazarbayev.

In January 2024, Uzbekistan and China established the 'All-Weather Comprehensive Strategic Partnership for a New Era', elevating their bilateral relationship to new heights. A similar development occurred between Kazakhstan and China, who established the 'Permanent Comprehensive Strategic Partnership'.

However, when comparing Kazakhstan and Uzbekistan, there is a noticeable difference in the adoption of Chinese norms and standards. Uzbekistan has drawn significant inspirations from China's governance models, particularly in areas such as anti-poverty initiatives, regional (and sustainable) development, and the adoption of electric vehicle (EV) standards.

For the Uzbek government, China's experience in sustainable development is worth learning from. The Syr Darya region will create an "Advanced Innovation Zone" based on fully absorbing Chinese experiences and with the aid of Chinese funds and technology.[73] During his visit to the Syr Darya region on April 7th 2023, President Mirziyoyev of Uzbekistan mentioned that the government had taken a long time to decide whose experience could be drawn upon to transform the region into an innovation hub. Ultimately, China was chosen.

"It must be acknowledged that in recent years, China has made unprecedented progress in industries such as manufacturing, agriculture, education, and medicine. China has extensive experience in fields such as science, innovation, engineering, electrical engineering, robotics, and information technology. Most importantly, in terms of logistics and transportation, China is one of the largest markets closest to us," said Mirziyoyev.

According to Mirziyoyev, Chinese investors are also very interested in the Syr Darya region. In the past six years, more than 60 large industrial enterprises have been jointly established with Chinese investors in cities and districts such as Khilin, Mirzaabad, and Syr Darya. In 2022 alone, the region attracted over 250 million US dollars in Chinese investment, accounting for nearly 90% of the state's investments. "Therefore, we should rely on Chinese experience to develop the Syr Darya region," Mirziyoyev said.

In the coming years, a Sino-Uzbek biotechnology cluster with an investment of 500 million US dollars will be established in the state. Within this cluster, in collaboration with renowned Chinese universities, a national research-oriented university, innovative medical clinics, a cell therapy center for cancer treatment, and a Central Asian genomics center will be set up in Gulistan. Vaccines are one key area, and the two countries are collaborating to establish the Uzbekistan-China Biotechnology Cluster. The state's 11 districts and cities will specialize in production according to the Chinese model, and innovative technology parks will be created in these locations.

Additionally, a Sino-Uzbek investment fund will be established in the Syr Darya region. This fund will be jointly set up with the Silk Road Fund and other financial organizations, with a capital reaching 1 billion US dollars.[74]

Uzbekistan fully adopted China's EV standards, significantly influenced by BYD's entry into the Uzbek market. Uzbekistan enacted two presidential decrees to adopt these standards, which greatly facilitated BYD's market access and led to their decision to build a factory in Uzbekistan.

71 Sibiri, H. (2021a). "Present and emerging issues detrimental to Ghana-China relations. In L. G. Adu Amoah (Ed.), *Sixty years of Ghana-China relations: Friendship, friction, and the future* (pp. 145-164). Centre for Asian Studies and University of Ghana Press, p.157.

72 Sibiri, H. (2021b). "The emerging phenomenon of anti-Chinese populism in Africa: Evidence from Zambia, Zimbabwe and Ghana. *Insight on Africa. 2021 13(1)*, 20.

73 People's Daily Online, "Uzbekistan Ambassador to China: China-Central Asia Summit Brings New Opportunities for Regional Development," May 17, 2023. For details, see: http://world.people.com.cn/n1/2023/0517/c1002-32688598.html

74 Xiangshi Net, "China and Ukraine to Implement 'Unique' Joint Projects," April 10, 2023. For details, see: http://www.siluxgc.com/static/content/UZ/2023-04-10/1095083776222040064.html

The first decree is the Decree on Promoting the Construction of EV Charging Infrastructure. This decree mandates the installation of 2,500 EV charging stations nationwide by the end of 2024. It also requires new shopping centers, hotels, gas stations, commercial centers, and highway infrastructure to install EV charging stations starting from January 1, 2024.[75]

The second decree is the Decree on Incentive Policies for EV Production and Import. This decree includes zero tariffs and excise taxes on imported EVs and exempts EVs from road transport fees from September 2021. These measures aim to promote the adoption and use of EVs.[76]

On the other hand, Kazakhstan, as a member of the Eurasian Economic Union, adopted Russian-led EV standards. This required BYD to undergo a lengthy certification process, preventing them from offering their most recent model in Kazakhstan due to the model's 12-month life cycle and a certification process that could take up to nine months. Conversely, Uzbekistan faced no such issues.

In the area of anti-poverty efforts, Uzbekistan has learned a great deal from China. Xi Jinping's book "Out of Poverty" has been translated into the Uzbek language. It has served as a kind of manual for Uzbekistan in addressing their poverty issues. The President of Uzbekistan, Shavkat Mirziyoyev, wrote a foreword for the book titled "The Real Chinese Miracle." In that foreword, President Mirziyoyev stated, "We place high importance on learning from the poverty reduction experiences of other countries, particularly China…I believe that the publication of the Uzbek-language edition of 'Out of Poverty' by Mr. Xi Jinping, a good friend of the Uzbek people and President of China, will help mobilize greater societal efforts for poverty alleviation based on our preliminary work."[77]

It appears that Kazakhstan is much less dependent on China compared to Uzbekistan, which, as a double landlocked country, faces more limitations. In 2023, China became Uzbekistan's largest source of FDI and international financing, whereas it was only Kazakhstan's fifth-largest source of FDI in the same year. Kazakhstan is also much wealthier than Uzbekistan. Kazakhstan's GDP for 2023 is approximately $227 billion USD, while Uzbekistan's GDP for 2023 is around $80 billion USD. Kazakhstan's GDP per capita is significantly higher than that of Uzbekistan. For 2023, Kazakhstan's GDP per capita is approximately $13,277 USD, while Uzbekistan's is about $2,754 USD.

In terms of diplomatic autonomy, Kazakhstan is not dependent on China. Kazakhstan has the option to align with Russia, the US, the EU, Turkey, and/or China. Of course, Kazakhstan is also subject to the influences of all these major players. It is clear that Kazakhstan is significantly enmeshed in Russia's sphere of influence. Kazakhstan is a member of the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union. The events of the so-called "Bloody January" demonstrate that Russia is the dominant security provider for Kazakhstan.

Kazakhstan is recognized for its multi-vector diplomacy, maintaining robust and diverse international relations with major global powers such as Russia, China, the EU, and the US. This strategy allows Kazakhstan to leverage relationships across a broad spectrum of international partners, enhancing its diplomatic autonomy. Kazakhstan's ability to engage with multiple global powers simultaneously without overly depending on any single country showcases its significant diplomatic leverage and autonomy. That being said, Kazakhstan, as a member of the Eurasian Economic Union, is subject to the rules of this post-Soviet customs union. In many ways, Kazakhstan's trade and monetary policies are compromised due to its involvement in this economic union with Russia.

Uzbekistan, on the other hand, has traditionally maintained a more cautious approach in its foreign relations, particularly under the leadership of President Shavkat Mirziyoyev. Uzbekistan's foreign policy emphasizes independence and neutrality, avoiding participation in military alliances and focusing on bilateral relations characterized by non-interference and mutual respect. This approach is evident in Uzbekistan's refusal to rejoin the Collective Security Treaty Organization (CSTO), signaling a desire to maintain a high degree of autonomy in security matters.

The semi-periphery of the world-economy is a mixed bag of processes. Hence, we expect the forms of China's global governance in this region to be varied and opportunistic. Though there are advantages for Kazakhstan and Uzbekistan to engage with China, Chinese global governance is manifest in these two countries to navigate the opportunities that will drive China's economic growth, while maintain important strategic ties. As expected, the relations formed by China will give some benefit to Kazakhstan and Uzbeikstan, but are constructed for the larger benefit of China.

75 Nargiza Murataliyeva and Shakhriyor Ismailkhodjaev, "China's Electric Vehicle Expansion in Central Asia", December 23, 2023, the Diplomat, available at: https://thediplomat.com/2023/12/chinas-electric-vehicle-expansion-in-central-asia/

76 Mukhammadsodik Donaev, "The impact of China's expanding footprint in Uzbekistan's automobile industry", Global Voices, March 1, 2023, available at: https://globalvoices.org/2023/03/01/the-impact-of-chinas-expanding-footprint-in-uzbekistans-automobile-industry/

77 Xinhua Net, "President of Uzbekistan Writes Foreword for Uzbek Edition of 'Getting Out of Poverty'," November 17, 2023. For details, see: http://www.news.cn/world/2023-11/17/c_1129981533.htm

5.3 *Example from the emerging core: Hungary*

Hungary, China's strongest partner within the EU,is best thought of as an emerging core country; taking advantage of its membership of the EU to steadily increase the proportion of core processes within its economy. During Xi's talks with Hungarian Prime Minister Viktor Orbán during his state visit to Hungary from May 8 to 10, 2024, the leaders of both countries announced that they would elevate the existing comprehensive strategic partnership to an all-weather comprehensive strategic partnership for a new era. For Prime Minister Orbán, China is one of the pillars of the new multipolar world, it is the country that now shapes global economic and political processes.[78]

China is Hungary's largest trading partner outside the European Union. The trade relationship between the two countries has grown significantly over the years, with bilateral trade reaching $15.52 billion in 2022, an increase of 84% from 2013. China is also Hungary's biggest source of FDI. As PM Orbán said, "In the past, one could find Chinese investments in Hungary only with a magnifying glass," whereas today, Chinese investments constitute 75% of all foreign investments and are valued at over 6.4 trillion forints ($22 billion). These investments have created tens of thousands of jobs and secure livelihoods for Hungarian families. "[79] This makes China a crucial economic partner for Hungary within the broader Central and Eastern European region.

Diplomatically, Hungary has become the fourth country to establish an "all-weather comprehensive strategic partnership" after Pakistan, Belarus, and Uzbekistan. From the Joint Statement regarding this partnership, we can observe clear signs of China's global governance diffusing through this close bilateral relationship into every aspect of Hungary's economy, society, and foreign policy.[80]

For example, China and Hungary will purposefully advance cooperation in emerging fields such as clean energy, artificial intelligence, mobile communication technology, and nuclear energy and nuclear technology. The Hungary-Serbia railway project is another example. Both parties are willing to actively promote the construction of the Hungarian section of the Hungary-Serbia railway project, a landmark project under the Belt and Road Initiative and a flagship project for China-Central and Eastern European countries cooperation. Additionally, they are eager to support the healthy and stable development of the China-Europe Land-Sea Express Line, promoting connectivity and trade exchanges between China and Hungary.

Another example is the diffusion of China's development governance into Hungary. According to the Joint Statement, both sides agreed that Chinese-style modernization will bring new opportunities for economic and trade cooperation between the two countries.[81]

The third example is both sides will further deepen financial cooperation, encourage financial institutions in both countries to provide financing support and financial services for trade and investment cooperation, further explore cooperation potential in green finance, and continue to cooperate in issuing green sovereign panda bonds. Hungary appreciates China's valuable support in fiscal and financial areas. China supports Chinese financial institutions in establishing branches in Hungary under regulatory conditions.

The final example is on people-to-people exchanges. Both sides will further strengthen educational cooperation, support exchanges between universities and think tanks, and encourage educational institutions to carry out cooperative research and joint training. They agree to actively leverage the role of the Hungarian-Chinese bilingual school in Hungary, the Confucius Institutes in Hungary, and the Hungarian language programs in Chinese universities to continue supporting youth in learning each other's languages and deepening language teaching cooperation.

As expected in relations between two core countries, the emphasis of China's global governance innovations is upon cooperation, especially in enhancing economic, trade and intellectual interactions regarding the new core processes of digital commerce and sustainable energy.

78 About Hungary, "PM Orbán: China is one of the pillars of our new multipolar world, it is the country that now shapes global economic and political processes", May 9, 2024, available at: https://abouthungary.hu/blog/pm-orban-china-is-one-of-the-pillars-of-our-new-multipolar-world-it-is-the-country-that-now-shapes-global-economic-and-political-processes

79 About Hungary, "PM Orbán: China is one of the pillars of our new multipolar world, it is the country that now shapes global economic and political processes", May 9, 2024, available at: https://abouthungary.hu/blog/pm-orban-china-is-one-of-the-pillars-of-our-new-multipolar-world-it-is-the-country-that-now-shapes-global-economic-and-political-processes

80 Ministry of Foreign Affairs of China, "Joint Statement of the People's Republic of China and Hungary on Establishing an All-Weather Comprehensive Strategic Partnership for the New Era," May 10, 2024. For details, see: https://www.fmprc.gov.cn/zyxw/202405/t20240510_11302174.shtml

81 Ministry of Foreign Affairs of China, "Joint Statement of the People's Republic of China and Hungary on Establishing an All-Weather Comprehensive Strategic Partnership for the New Era," May 10, 2024. For details, see: https://www.fmprc.gov.cn/zyxw/202405/t20240510_11302174.shtml

6 Conclusion

China's growing role in international politics and economics is evident through historical and empirical studies. We have provided a heuristic conceptualization of that process that sees global governance as a set of innovations that diffuses across space over time. Time is conceptualized within the phases of hegemony and space is conceptualized as a broad geography of the presence of core and periphery processes. We offer a way to move beyond descriptive narratives to place China's increasing global governance role within the dynamics and structure of the world-economy.

Though our framework is conceptual and heuristic we believe that it enables empirical analysis. We have proposed a 2*3*4 cube of politics, geography, and phases of hegemony within which researchers can locate case studies and comparative analysis to theoretically situate their work while simulatenously testing the explanatory value of our framework. Further analysis would alos require greater consideration of the role of adopting countries in actively seeking new innovations, or whether the flow of innovation is being driven by the innovator.

One pressing avenue of research is to interlock the processes and geography of the diffusion of China's global governance with that of other countries. Especially, the framework can be used to analyze the theoretical expectations of the decline of US hegemony and its relative retreat from leading global governance innovations in the core, semi-periphery, and periphery of the world-economy. Hence, our framework could situate research on whether China's advances in global governance are happening in time-space contexts of vacuums of US global governance. Such an analysis may involve a second-order of conceptualization and analysis in which the diffusion of China's global governance to one country is also a fuction of the actions of other countries (such as the European Union, Russia, or India) in a landscape of diffusion in which a number of innovations are being diffused by competing countries. Such consideration would add several layers of complexity as a number of 2*3*4 cubes would be interacting at any given time.